

The complaint

Mr F complains that Pollok Credit Union Limited took an annual charge from his account that he didn't agree to and didn't pay him interest on his account.

What happened

Mr F says he noticed that deductions had been made from his Pollok account over the last few years. He says he was told it was an annual account fee of £7.50, but he hadn't agreed to that fee. Mr F also says that he was led to believe that interest would be paid on his account for the first £1,000 but was told by Pollok that wasn't correct despite its website suggesting he was correct. He says he would like a refund of the charges and interest paid on his account balance. Mr F would also like compensation for the stress he was caused and an apology.

Pollok says it charges a fee of £7.50 a year but has said it will refund Mr F the full amount it deducted. It says it doesn't pay interest as Mr F thought and so will not look to pay him any interest on his account balance.

Mr F had brought his complaint to us and also complains about Pollok's response to his complaint. Our investigator thought Pollok had fairly accepted its annual fee may not have been clear but thought it had acted fairly by offering to refund them. The investigator didn't think Mr F's account paid interest on the first £1,000 and so didn't think Pollok had made a mistake by not paying him interest. The investigator explained to Mr F that we wouldn't look at Pollok's complaint handling.

Mr F doesn't accept that view and says he has not received the charges back from Pollok and doesn't accept receiving a pack from it containing details of any charges. He says he would not have invested money in an account that didn't pay interest and questions how Pollok has expressed the information about interest on its website.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have come to a similar overall view as the investigator.

I have looked at Pollok's website and the information it provides to its customers. And I can see there is a clear reference to an annual charge of £7.50. I appreciate that Mr F says he wasn't made aware of that charge and that Pollok accepts it may not have made that information clear at the time Mr F's account was opened. So I'm satisfied Pollok has acted fairly by agreeing to refund those charges. I appreciate Mr F says he has not received that payment. But I can also see that he told Pollok to close his account and it asked for Mr F's

account details so it could pay the refund. In those circumstances I would expect Mr F to provide Pollok with the account details so it can process the refund. I don't consider any interest is appropriate on that refund as I can't be sure what information Mr F was given when the account was opened as neither side can provide me with that information.

I don't think compensation is appropriate here as I think Pollok has acted fairly by offering to refund the charges and for the reasons I have explained. I also don't think the charges had a significant effect on M F as he didn't notice them until some three years had passed.

I'm satisfied that Pollok has fairly explained that Mr F's account didn't attract interest and has explained it was only payable on certain balances. I appreciate that Mr F says Pollok's website is misleading. But I have not seen any evidence from Mr F that suggests interest was payable on his account such as the original account terms and conditions or any marketing material. So I don't think on balance that Pollok has made a mistake and so it follows I can't order it to refund any interest.

The investigator has explained what our role is when looking at complaints and has explained that, as we are not Pollok's regulator, it would not be for us to comment on the information in its final response letter or on how it handles complaints.

My final decision

My final decision is that Pollok Credit Union Limited has made a fair and reasonable offer to refund fees of £28.48. Mr F's acceptance of that offer would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 July 2020.

David Singh
Ombudsman