DRN-3237540

The complaint

Mr S complains about problems he experienced with Sainsbury's Bank Plc ("Sainsbury's") when he tried to inform them of address changes and then close his savings account.

What happened

Mr S opened a Variable Cash ISA account ("ISA") with Sainsbury's in 2016. On 18 September 2020, Sainsbury's received a letter from Mr S advising he'd changed address and moved into a care home. Sainsbury's wouldn't accept a written request. So, on 30 September 2020, they wrote back to Mr S and asked him to call them. Alternatively, he could change his address using their online banking service.

Mr S called Sainsbury's on 1 October 2020, completed their security checks and his address was amended. He also provided details of his account with another bank to receive payments from his ISA.

Mr S moved to live with a relative on 28 October 2020. Sainsbury's received a further letter from Mr S on 2 November 2020 asking them to change his address again. So, Sainsbury's sent Mr S the same letter they'd sent in September.

Mr S called Sainsbury's on 3 November 2020. He wanted to close his ISA and transfer the funds to his nominated bank account. Unfortunately, this time Mr S failed Sainsbury's security checks. So, Sainsbury's told him he would need to provide new identification documents before they could complete his request. They directed him to their website for details of what they required. Sainsbury's blocked Mr S's account including any online access.

Shortly after, Sainsbury's received various documents from Mr S. But some of them didn't meet their requirements. They were able to verify Mr S's identity and current address, but their process meant they needed to verify his previous address as well.

On 11 November 2020, Sainsbury's received copy of a letter of introduction from the care home Mr S previously resided at. They agreed to accept this but needed it to be certified. A certified copy was received by Sainsbury's on 31 December 2020. So, they sent a letter to Mr S which included a unique code. They asked him to call back with the code so they could reactivate his account. During November 2020, Mr S travelled overseas for health reasons. As a result, he didn't receive Sainsbury's letter or call them as requested.

A relative of Mr S called Sainsbury's on 21 January 2021 to explain they had Power of Attorney (POA) and wanted to act on Mr S's behalf. Sainsbury's told the relative how to arrange this, but they couldn't discuss Mr S's account until it had been arranged.

On 9 June 2021, Sainsbury's received a letter from Mr S complaining about the problems he'd experienced. Having investigated Mr S's complaint, Sainsbury's replied to him in a letter on 9 July 2021. They didn't agree they'd done anything wrong, so didn't uphold his complaint.

Mr S wasn't happy with Sainsbury's response. So, decided to refer his complaint to this service. Our investigator didn't think Sainsbury's had treated Mr S fairly. They thought Sainsbury's should've recognised that Mr S was potentially a vulnerable person who was struggling with their requirements. Our investigator thought Sainsbury's should've done more to help resolve Mr S's problems more quickly. They said Sainsbury's should recognise the significant distress and worry caused throughout his experience by paying compensation of £150.

Sainsbury's didn't agree with our investigator's findings. They said there had been no bank error and they'd made a special dispensation for Mr S to help him. They didn't agree that compensation was appropriate.

As an agreement couldn't be reached, Mr S's complaint has been passed to me to consider further and reach a final decision.

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.

At the outset I want to acknowledge that Mr S has been waiting some considerable time for an outcome to his complaint. I'd like to apologise to him for the delays he's experienced and assure him that the circumstances of his complaint have been very carefully considered.

I believe it's important to clarify the role of this service when considering Mr S's complaint here. Our role isn't to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or processes or impose improvements on the level of service offered to their customers. These aspects fall firmly within the remit of the regulator – in this case, the Financial Conduct Authority ("FCA").

But it is our role to examine and decide whether a business has been fair and reasonable in the manner in which those policies and procedures are applied in the individual circumstances of Mr S's experience with them. When considering his complaint, I've also considered any relevant rules and regulations set down by the FCA in their handbook – where they apply.

It's apparent that many of the problems and frustrations Mr S experienced resulted from significant changes in his life. These led to him deciding to sell and leave his own property to move into a care home for a period. I hope Mr S will not mind if I mention that as an elderly gentleman, I recognise that his independence would be very important to him.

Mr S then took the decision to relocate to a different part of the UK to initially live with a family relative before purchasing a new property near to that relative. During this period of change, Mr S also felt the need to spend some time overseas in order to address some health difficulties.

On each occasion Mr S told Sainsbury's about his new address, he chose to do that by writing to them. But the terms and conditions associated with his account meant that Sainsbury's couldn't accept written instructions. So, this meant Mr S needed to either amend his address using Sainsbury's online banking service or call Sainsbury's with his instruction. This is their policy and process as the product Mr S had was essentially an online account. So, I can't really say Sainsbury's did anything wrong here.

Mr S's first experience of this was in October 2020, when he successfully completed Sainsbury's security checks and updated his address. However, when he wanted to amend his address a second time, he again wrote to Sainsbury's. So, it's clear to me that Mr S didn't fully appreciate or understand Sainsbury's process.

I've listened to a recording of Mr S's call to Sainsbury's in November 2020. My overriding impression was that Mr S wasn't entirely confident with what was being asked of him. And although Sainsbury's were polite and tried to help, I think there were clear signs that Mr S might be considered vulnerable. Sainsbury's were aware Mr S was an elderly gentleman. And during the conversation, they were also made aware that he'd been living in a care home and was moving to live with a relative. There's also evidence that Mr S was, at times, struggling to hear or understand questions asked of him.

The FCA has published a number of papers about their research into how the UK's ageing population impacts the financial services industry. They say that *"While older consumers are not necessarily vulnerable, we found that there are risks that their financial services needs are not being met, resulting in exclusion, poor customer outcomes and potential harm. This is particularly the case for those aged 75 years and over…".*

Sainsbury's have their own policies and guidance specifically where there may be signs of vulnerability. I've considered that guidance within the context of Mr S's experience with them. Their guidance makes provision for recording vulnerabilities on customer files, where consent is provided. Where not provided, they may still record a suspected vulnerability, but limit the detail they record. This appears a sensible approach and would enable them to identify where additional help and support might be appropriate.

Having listened to the call, I think Sainsbury's could've asked Mr S more about his concerns and understanding. Particularly as he was clearly very distressed and agitated at times. Had they done that; I think they may have been able to obtain Mr S's consent to place a vulnerability marker on his file. In any event, I think the situation warranted that, even if unconfirmed. And I think this would've prompted them to explore alternative ways to provide enhanced support to help Mr S comply with their requirements.

I accept that Sainsbury's have their own policies and procedures when it comes to consumer security and verification. And as these are in place in order to ensure Sainsbury's meet their regulatory and legal obligations, I think their requirements were entirely reasonable. But I'm not persuaded that their explanations to Mr S combined with directing him to their website, were enough here. I think more could've been done to assist Mr S in satisfying their requirements.

For these reasons, I'm not satisfied that Sainsbury's treated Mr S completely fairly. And acknowledging that Mr S ultimately managed to satisfy Sainsbury's requirements and retrieve the funds from his account, I think the process took far longer than it needed to causing Mr S both unnecessary distress and inconvenience along the way. So, I shall be asking Sainsbury's to compensate Mr S for that.

My final decision

For the reasons set out above, I uphold Mr S's complaint.

I require Sainsburys Bank Plc to pay compensation to Mr S of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 October 2022.

Dave Morgan
Ombudsman