

The complaint

Ms W complains Punjab National Bank (International) Limited (“PNBIL”) unfairly refused to open an ISA for her, and provided her with extremely poor customer service.

What happened

On 15 January 2021 Ms W visited a branch of PNBIL to open an ISA, She wanted to transfer funds from an ISA she held elsewhere which was due to mature.

Ms W says she was treated very poorly by branch staff. She’s said:

- She was given inaccurate advice about opening her ISA – namely, that she should pay funds into the account in two separate transfers a month apart, which Ms W notes would be against the terms and conditions of the account;
- PNBIL then said it would not open an account for her, and Ms W feels this decision was discriminatory; and
- The staff member who dealt with her was rude and gave her incorrect information about ID requirements for the account

Ms W was unhappy with PNBIL’s initial response to her complaint and so she referred her concerns to us. In preparing its files for our service PNBIL reconsidered Ms W’s complaint and accepted its staff had made errors and given poor advice. To try to resolve things PNBIL offered to arrange to open an ISA for Ms W at the rate it had been offering in January 2021, and to pay her £250 to recognise the impact of the poor service she had received.

One of our investigators put this offer to Ms W, but Ms W remained unhappy. She explained she had already opened another ISA elsewhere, albeit at a lower rate, so PNBIL’s offer was of no help to her. She also noted that she felt PNBIL’s actions meant there had been a delay in her transferring the funds out of her old ISA, resulting in a further financial loss to her.

After further discussion with PNBIL our investigator issued their findings. They explained that in light of what PNBIL had said about why Ms W’s ISA application was refused, they didn’t think she had been discriminated against. But they did feel PNBIL had been unreasonable to refuse Ms W an ISA and had provided poor service, although they didn’t agree that PNBIL’s actions had caused any significant delays in the ISA funds being reinvested. To resolve things, the investigator recommended that PNBIL:

- Pay Ms W the difference between the interest rate she is receiving now and what she would have been receiving if she had been allowed to open the account she wanted with PNBIL, and PNBIL should calculate this difference for the whole two year period of the fixed rate ISA; and
- Pay Ms W a further £50 on top of the £250 it had already offered her to recognize the poor service and incorrect information she was given by PNBIL staff.

PNBIL agreed with the investigator's recommendation, but Ms W remained unhappy. She maintained the service she had received was extremely poor and that the investigator's recommendation didn't go far enough to put things right. Ms W has also says she believes PNBIL has breached banking and tax rules, and regulations.

Because our investigator could not resolve things, Ms W's complaint has been passed to me for a 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.

Having done so, I've reached the same overall findings as our investigator, and for the same reasons. I'll explain why.

I appreciate Ms W was initially given some inaccurate advice in branch about doing two transfers into the ISA, and that if Ms W had done this then it could have caused her significant problems further down the line. But her application didn't progress to that stage, so while I acknowledge the advice Ms W was given was wrong, she didn't suffer any detriment because of that poor advice.

PNBIL then told Ms W it would not be able to open an ISA for her, and Ms W says she feels PNBIL discriminated against her when it made this decision. But having looked at all the evidence I don't think PNBIL has discriminated against her. PNBIL has explained the total value of Ms W's investment in the ISA was high, and the staff who made the decision not to offer her the ISA incorrectly assumed that meant she would be classed as "high risk". And at the time PNBIL was not opening accounts for "high risk" customers". But what PNBIL should have done instead was carry out a full risk assessment, instead of basing its decision on just the one factor. PNBIL accepts that on this basis it was wrong to refuse Ms W the account, and I'm satisfied with this explanation of what happened. I haven't seen anything to suggest Ms W was directly discriminated against, just that PNBIL didn't properly assess her application.

And I'm satisfied what PNBIL has now agreed to do to put things right is reasonable in the circumstances of this complaint as Ms W is being put back in the position she would most likely have been in had PNBIL properly assessed her application. I appreciate Ms W says PNBIL's actions caused a delay in her being able to reinvest her funds, but I can see PNBIL gave Ms W its final response to her complaint within a week of her raising her complaint, so I don't think it caused any significant delays which prevented Ms W from reinvesting her funds earlier.

Turning to the overall level of service Ms W received, I agree she was given incorrect information about both the ID she would need to open her account and the transfer of funds. And I appreciate this poor advice caused Ms W inconvenience and concern. But overall I am satisfied that the compensation that has been recommended here - £300 in total – is appropriate in all the circumstances of this complaint.

I know that Ms W feels strongly that PNBIL has breached rules and regulations with the advice it gave, and that its staff have not been properly trained. But my role here is to focus on the impact of what has happened to Ms W specifically. And for the reasons detailed above I'm satisfied that what PNBIL has now agreed to do is reasonable to put right what has happened to Ms W. In any case, PNBIL has confirmed that it will be giving feedback to its staff about what went wrong here.

I know that Ms W may remain disappointed with my decision, but I hope that it helps her to know that someone impartial and independent has looked into her concerns.

Putting things right

PNBIL should put things right by:

- Paying Ms W the difference between the interest rate she is receiving now and what she would have been receiving if she had been allowed to open the account she wanted with PNBIL, and PNBIL should calculate this difference for the whole two year period of the fixed rate ISA; and
- Paying Ms W £300 - in total - to recognize the poor service and incorrect information she was given by PNBIL staff.

My final decision

For the reasons I've explained, I'm upholding Ms W's complaint. Punjab National Bank (International) limited should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 27 September 2022.

Sophie Mitchell
Ombudsman