

The complaint

Mr L is unhappy with several aspects of the service he's received from Ikano Bank AB (publ) surrounding his request to change a direct debit date.

What happened

Mr L contacted Ikano because he wanted to change that date of a monthly direct debit payment. The direct debit was cancelled, and Mr L was asked by Ikano to call back when his next payment was due to make that payment and to set up the direct debit for his preferred date moving forwards.

Mr L then tried to contact Ikano again on his preferred date to reset his direct debit but struggled to get through. After several attempts he was able to speak with an Ikano agent and reset the direct debit, although he then had to contact his bank to make that month's payment to Ikano because Ikano weren't able to take payment over the telephone as he'd been previously told that they would.

Despite making this payment to Ikano from his bank, Mr L subsequently received a letter from Ikano which advised that he'd missed his payment. Mr L wasn't happy about this, or with the trouble he'd had when trying to speak to Ikano, including that Ikano had provided him with contact telephone numbers which didn't work. So, he raised a complaint.

Ikano looked at Mr L's complaint. They acknowledged they hadn't provided Mr L with the standard of service that they aspire to, and they apologised to Mr L and offered to make a payment of £40 to compensate Mr L for any trouble and upset he'd incurred.

Mr L wasn't satisfied with Ikano's response, so he referred his complaint to this service. One of our investigators looked at this complaint. They felt that Ikano's offer of £40 compensation didn't fairly reflect the amount of inconvenience and upset that Mr L had experienced here, and so they recommended that Ikano increase the amount of compensation payable to Mr L by a further £50, to a total of £90.

Ikano didn't respond to the view put forwards by our investigator, so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 9 March 2022 as follows:

Ikano don't dispute that the standard of service they've provided to Mr L in this instance is below the standard that they'd expect, and they've apologised to Mr L for this and offered to pay £40 compensation to Mr L because of this.

Matters of compensation can be subjective, with an offer considered as being fair and reasonable by one party not being considered as being such by someone else. However, While I commend Ikano for the spirit of their offer here, I don't feel that the offered compensation amount of £40 is a fair and reasonable amount in this instance and in consideration of the circumstances of this complaint.

I say this because Mr L's experience here included several distinct events which Mr L has explained were frustrating and inconvenient to him, including that letters sent to Mr L by Ikano included contact numbers that didn't work, that Mr L was initially told to telephone Ikano to make a payment only to be subsequently told that such payment couldn't be taken, and that Mr L didn't receive confirmation from Ikano that any of the emails that he'd sent when trying to resolve these matters had been received by Ikano. And Ikano have confirmed that they were experiencing several operational issues at the time in question which meant that Mr L's complaints in these regards are valid and fair.

Mr L has also explained that in order to complete his objective of changing his direct debit date – which should reasonably have been a relatively simple task – and to then attempt to resolve the service issues that followed, he had to try to call Ikano on at least fifteen occasions, often without success due to lengthy hold times and not being connected.

I can appreciate how the combination of all of these factors would be frustrating and highly inconvenient for Mr L, as he has explained to this service was the case, and on this basis I feel that Ikano should make a total compensation payment of £200 to Mr L which I feel would more fairly compensate him for the trouble and upset that he's incurred here. My provisional decision is therefore that I uphold this complaint in Mr L's favour on that basis.

In my provisional decision letter, I gave both Mr L and Ikano the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision. Mr L confirmed that he was happy to accept my provisional decision, while Ikano explained that they felt the amount of compensation that I had provisionally awarded wasn't merited in this situation.

Ikano explained that while they acknowledged that Mr L had made a high number of calls to them, the large majority of these calls were to their customer service lines, which included recorded hold messages that directed holding customers who wanted to make payments to a different, less busy telephone number, where a payment could be more easily made, as well as to an online portal where customers could request contact from Ikano.

I can appreciate Ikano's position here, but even if I accepted that Mr L could have reasonably taken alternative steps to make a payment, this only addresses one of the several aspects of Mr L's complaint – as described above. As such I don't feel that any reduction in the £200 compensation amount that I provisionally instructed would be merited if it were the case that I were to accept Ikano's position here.

All of which means that my final decision will be that I am upholding this complaint on the basis explained above in my provisional decision, and I can confirm that I do uphold this complaint in Mr L's favour accordingly.

Putting things right

Ikano must make a payment of £200 to Mr L to compensate him from the upset and inconvenience he has incurred here.

My final decision

My final decision is that I uphold this complaint against Ikano Bank AB (publ) on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 April 2022.

Paul Cooper
Ombudsman