

The complaint

Mr S complains he was unable to make a purchase due to a technical issue with his bank card provided by Ikano Financial Services limited.

What happened

Mr S was approved for a Ikano Bank card. One of the benefits of the card was that it offered 0% interest on purchases up to £750 from a specific retail outlet.

To make a successful purchase, Mr S was required to generate a virtual card number in a linked mobile phone application. But when Mr S attempted to make a purchase from the retail outlet, he was unable to generate the number needed to pay for his purchases with the card.

Mr S said this caused him embarrassment - as it happened in front of other customers, and inconvenience as he had to make a second trip to the store. So, he complained to Ikano.

Ikano didn't initially respond to Mr S' complaint, so he referred the matter to us. Ikano subsequently issued Mr S with its response to his complaint. It explained that the problem Mr S experienced was an internal technical issue. It apologised for the inconvenience caused and offered Mr S £50 compensation. Mr S didn't think this went far enough and he asked our investigator to consider the matter further.

Having done so, our investigator recommended that Ikano should increase the compensation payment to £150.

Ikano didn't respond to the investigator's recommendation, so the complaint has been passed to me to issue a final decision to bring the matter to a swift conclusion for Mr S.

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.

The circumstances of this complaint aren't in dispute, so I won't detail the events again here. Ikano has acknowledged there was an internal system problem when Mr S tried to pay for his items using his Ikano Bank card. So, I don't need to make a finding on this.

What I do need to consider is what level of compensation is fair given all the circumstances of this complaint. Having done so, I agree with the conclusions reached by the investigator. I'll explain why.

I appreciate it must have been embarrassing for Mr S when his payment was declined in a store due to no fault of his own. And I've no reason to doubt this happened in front of other customers and the store staff.

I understand that the store staff were unable to resolve the problem at the time. And that Mr S had to contact Ikano directly to resolve the problem. As a result, he had to make a second trip to the store. Mr S has said this involved an additional 90-minute round trip and that he had to take time off work. And I have no reason to doubt Mr S' testimony.

Our investigator explored the possible opportunity Mr S had to make the payment by other means rather than revisit the store again. But as mentioned above, this particular card offered 0% interest on purchases in this specific store. And Mr S has told us he was buying furniture for a new home and money was tight. So, he needed to use the card and benefit from the 0% interest deal. I think this is a reasonable explanation as to why he specially needed to use this method of payment.

Considering all the above and noting that Ikano's response to Mr S was late, I think £150 is fair compensation given the circumstances in this case.

Putting things right

Ikano Financial Services Limited should pay Mr S £150 (total) compensation for the issues he experienced when attempting to make a purchase using his Ikano Bank card.

My final decision

My final decision is that I uphold this complaint.

Ikano Financial Services Limited should take the action set out above to compensate Mr S for the embarrassment and inconvenience he was caused.

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

Sandra Greene
Ombudsman