

The complaint

Miss H complains that Circle UK Trading Limited (Circle) refused to refund money it held for her in an online account and then tried to charge her a fee for this money as the account was considered dormant.

What happened

Miss H was gifted some money through an online account with Circle. However, Circle closed and any money that remained in its accounts incurred a dormancy fee. Miss H says she was unaware of this and when she tried take out her money two years later, Circle refused to return the amount in full.

So, Miss H brought a complaint to this service. When we contacted Circle, it replied and said it would refund the £140 that was in Miss H's account plus £90 in dormancy fees that had been charged over three years (£30 per year).

Following a further review an investigator from our service looked at the offer and recommended that Circle also pay £300 in compensation for the distress and inconvenience Miss H had suffered. Circle agreed but Miss H doesn't. Miss H doesn't think this amount reflects the distress and inconvenience she's suffered.

Because Miss H doesn't agree the complaint has been passed to me for a review.

I issued a provisional decision on this complaint on 20 December 2022. That provisional decision is below and forms part of my final decision.

What I've provisionally 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'm planning on upholding this complaint for additional compensation. I'll explain why.

As Circle has refunded the money Miss H had in this account plus the fees, I'm satisfied that the only issue that I still have to decide is how much compensation I should require Circle to pay for the distress and inconvenience Miss H has suffered.

When we consider compensation on a case, we'll consider everything that's happened. We'll look at the time that was taken to resolve this complaint, the impact on a consumer's health and whether the business could've done more. The same mistake could have a different impact on different people. So, there are times when we will award different amounts in similar cases.

An award of up to £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation.

Miss H says that she should receive compensation of £750 and up to around £1,500. Over the space of six months Miss H contacted Circle regularly. And from what I can see Circle replied twice, both times a generic email setting out that that it was awaiting a treasury team update. Throughout these emails Miss H set out what she wanted and explained to Circle that she had a chronic illness, she had mobility restrictions and that having to constantly chase Circle was causing her anxiety. Miss H very clearly said that the issues she was having trying to contact Circle was impacting her mental health. But this was never acknowledged by Circle.

Miss H has submitted extensive evidence of her medical conditions. Her medical practitioner has also submitted a detailed list of conditions that Miss H suffers from that impact extensively on her day to day life. A letter from a clinical psychologist states that Miss H has interacting difficulties that lead to chronic heightened anxiety and stress which are exacerbated by multiple day to day triggers. The psychologist says that frequent peaks of emotional distress lead to emotional upheaval and impairment of functioning for Miss H.

Miss H has told us exactly how interacting with Circle has impacted her daily. When Circle either didn't reply or just sent a generic acknowledgement of the issue this had a detrimental effect on her. In particular Miss H sets out how having to even send a chaser email to Circle impacted her whole day, even down to being unable to carry out normal day to day tasks because the task of sending the email was so stressful.

In early 2021 the Financial Conduct Authority (FCA) set out guidance FG21/1 for firms on the fair treatment of vulnerable customers. This guidance asks businesses to monitor and assess whether they are meeting and responding to the needs of customers with characteristics of vulnerability and to make improvements where this is not happening.

Miss H told Circle about her vulnerabilities. So, it was Circle's responsibility under the FCA guidance to ensure that its actions, or lack of action wasn't impacting her. But it would seem that Circle missed these warning signs, and the reality is that each time Circle ignored Miss H or didn't respond or acknowledge her email, this was having a detrimental effect on Miss H's day to day life. To me it looks like Circle completely misunderstood the nature and scale of the characteristics of vulnerability being shown by Miss H, even after she told Circle about them.

So, I think in these specific circumstances further compensation is warranted. In short Miss H has provided documented evidence that she falls into a category of an extremely vulnerable person. She has provided evidence that she told Circle on more than one occasion that she fell into this category. And not only did Circle not acknowledge this, it completely ignored Miss H's pleas to prioritise or deal with her complaint.

Given the scale of evidence provided and the lack of engagement from Circle throughout this complaint, in particular its failure to act on the information provided by Miss H, especially given the guidance issued by the FCA, I think this level of impact on her daily life means this does fall into the £750 - £1,500 category of compensation for distress. As such I'm planning on recommending that Circle pays Miss H £1,000 compensation in total (less any compensation that's already been paid) for the distress and inconvenience she's suffered for the reasons I've set out above.

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 sent my provisional decision on 20 December 2022.

Both parties have responded, and both have accepted my provisional decision. I acknowledge both responses and as there are no further issues raised, I see no reason to depart from my findings as set out above.

My final decision

My final decision is that I uphold this complaint for additional compensation. I require Circle UK Trading Limited to:

- Pay Miss H £1,000 compensation in total (less any compensation that's already been paid) for the distress and inconvenience she's suffered for the reasons I've set out above. I would ask Circle UK Trading Limited, when its corresponding with Miss H to set out the dates on which it made the refund and paid previous compensation, so as to avoid any confusion and minimise any further distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 15 February 2023.

Derek Dunne
Ombudsman