

The complaint

Mr S held an account with Citibank UK Limited. He complains that Citibank introduced monthly fees for his account, which they didn't notify him about. He also complains that he has not been able to access the account since November 2019.

What happened

Mr S held two accounts with Citibank, a euro account and a sterling account. His overseas pension was paid into his euro account and he was able to operate both accounts with one visa card until July 2019.

From November 2019 Mr S says he had no access to his euro account, no debit card, cheque book or online access.

In April 2020, due to Brexit, Mr S decided to change his overseas pension to sterling, and have it paid into another UK bank account instead, so the last euro pension deposit was made to Citibank on 30 July 2020.

In July 2020 Citibank started to deduct 150 euros per month from the euro account as a "euro deposit fee". Mr S says he was not aware of this fee being deducted until May 2021, by which time he had paid 3150 euros without his knowledge.

Mr S complained to Citibank about the fee in May 2021 and closed his account in June 2021, transferring the whole amount to a UK bank.

Citibank provided a final response in August 2021 in which they said that they had sent Mr S an e mail on 7 April 2020 advising of the euro deposit fee, and the e mail was successfully delivered to the e mail address they held on file.

Mr S was unhappy with this response as he said he hadn't received any correspondence. Mr S brought the complaint to us and it was looked into by one of our investigators who thought that Citibank had fairly followed their process.

Mr S disagreed with our investigator's view and asked for an ombudsman's decision, so it came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I have reviewed all information provided by both Mr S and the business and have asked for further information from Citibank in coming to my provisional decision.

Were Citibank entitled to introduce a euro deposit fee?

Citibank decided to change the way they charge for accounts because of the continuing negative interest rate of the European Central Bank. They introduced a monthly fee for euro accounts with balances held above 100k euros from July 2020. The fee was implemented in

bands, dependent on the amount held in the account, and the appropriate monthly fee for Mr S was 150 euros a month.

It didn't matter that the account wasn't active, and that there were no further pension deposits being made after July 2020, because the fee was levied on the account balance. From the information I have seen, Citibank were entitled to make this change to the terms and conditions of their accounts, provided that they notified the customers about the change.

Did Citibank send Mr S notification of these changes to the terms of his account?

Citibank told us that notifications were sent to customers advising them of the changes in February, April and May, with implementation initially aimed for April, but actually implemented in July 2020.

However, on the communication log for Mr S's account, I could see only one notification about this being sent by e mail which was on 7 April 2020. So, I was concerned that Mr S hadn't been sent all of the correspondence to notify him of the change.

I raised further concerns about the e mail address that had been used, and following some further communication with Citibank, they accepted that the e mail address that they were using had been input incorrectly by one digit, and so any e mails sent to that address would not have reached Mr S in any event.

So, I then asked Citibank to explain the process for issuing letters to customers when e mails have bounced back, and I asked them to show me evidence that these three notifications were also sent by post to Mr S.

Citibank have provided me with generic copies of the three letters that they say were sent to all customers who were identified as "bounce back" customers. They have also given me e mail exchanges between staff members from June 2020 which show that they sent "bounce back" letters to 2575 customers, and they have provided me with bulk postage receipts showing that a number of letters were posted on a particular day.

Within these documents there is an e mail from one member of staff which says that Mr S was on the list for a bounce back letter, but it doesn't say which of the three letters it refers to, and I haven't seen the list. Citibank have confirmed that they hold no digital evidence of a letter being issued to Mr S.

So, having read through everything that Citibank have sent me, I'm not satisfied that this evidence shows that Mr S was sent advance notice that there was to be a change to his euro account fees.

Citibank have confirmed that they held an incorrect e mail address, and it is therefore up to them to demonstrate that they sent the relevant letters to Mr S by post.

I've also taken account of the fact that Mr S has told us that as soon as Mr S became aware of the fees, he moved his money and closed the account, and so I consider that if he had been aware of these charges earlier, he would have moved his funds then, rather than incur the 150 euro a month fee.

Access to his account

Mr S has raised an additional issue which is that he didn't have access to his account between July 2019 and May 2021 as he was never supplied with another card following the expiry of his card in July 2019.

Citibank have confirmed to us that there was no block on Mr S's account, and the last card was issued in 2018. It isn't clear if another one was issued after July 2019. I have read through the account notes that Citibank have provided me with, and I can't see any notes that show Mr S has tried to make contact with Citibank to discuss having no access or that there are any issues with his card. The account notes show no contact from Mr S between October 2019 and May 2021. So, I am unable to conclude that Mr S was prevented from having access to his account.

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.

Citibank haven't replied but Mr S has. He says that in respect of account access, he was effectively prevented from a banking service following Citibank's closure of their Hannover Square branch in 2017, and the expiry of his visa card in July 2019.

I have considered Mr S's points, but I haven't changed my decision. The account statements I have been provided with date back to September 2018 and show no debits or withdrawals, even though Mr S had a valid visa card until July 2019. In addition, I have seen no evidence of Mr S being prevented from accessing his funds, or of any complaint being raised with Citibank about this until Mr S raised the issue of the euro deposit fee being deducted. In view of this, I'm making my final decision for the reasons I've summarised above.

Putting things right

As I am not satisfied that Citibank gave Mr S proper notice of the implementation of the euro deposit fees to his account, I direct that they should reimburse him the euro deposit fees that were applied to his account from July 2020.

They should also pay 8% simple interest on those fees from the date that each one was incurred until the date of settlement.

My final decision

I'm upholding Mr S's complaint about Citibank UK Ltd and directing them to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 August 2022.

Joanne Ward
Ombudsman