

The complaint

Miss R complains BAG Credit Union Limited (BAG) didn't tell her their annual membership fee was increasing.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 considered everything, I agree with the conclusions reached by our investigator, for these reasons:

- Miss R says she became aware BAG charged a £3 annual membership fee in late 2013. However, she only became aware it had increased to £5 after checking her balance in January 2022. BAG said the fee was increased following their 2016 annual general meeting (AGM). Our Service doesn't have the power to interfere with a business' commercial decision, so we can't make a finding on whether BAG should or shouldn't have increased their membership fee. But we can determine whether Miss R was treated fairly in the way this change was communicated to her, so that's what I've done.
- BAG says members would have been notified of the 2016 AGM by posters on the shop counter and the noticeboard and window of the venue in which it was due to be held. They've also explained neither the agenda, nor minutes were posted to members unless they were specifically requested. However, they could be viewed in the shop at any time. Miss R had moved away from the area when the AGM took place, and this was due to her personal circumstances. This meant she didn't see the posters or notices, and in turn wasn't aware of the AGM.

- I appreciate BAG are a not for profit organisation and need to be mindful of postage costs. However, I would expect any financial business to take sufficient steps to ensure all their customers are made aware of changes to the terms of their agreement before they're implemented. I don't consider the steps detailed above went far enough to do that for customers with similar circumstances to Miss R. She shouldn't have had to attend a meeting or visit a branch to find out the terms of her account were changing. So, I don't consider it was unreasonable in the circumstances that she was surprised and unhappy that she found out about the changes five years after the event.
- While I consider BAG didn't treat Miss R fairly, I don't consider they need to do anything to put things right. That's because Miss R didn't share her new address with BAG until she complained in January 2022. So, even if they had sent information outlining the increase in membership fee, Miss R wouldn't have received it.
- I understand Miss R has been through a difficult time with her personal circumstances and the condition she's recently been diagnosed with. I also acknowledge these circumstances may have influenced the choices she made at the time. However, I don't consider it would be fair to hold BAG fully at fault for Miss R not finding out about the increased fee until January 2022. That's because Miss R wouldn't have received any information they sent – and in turn she always would have found out about the change in the way, and at the time, she did.

I know this isn't the outcome Miss R hoped for. But given the reasons above, I don't consider BAG needs to do anything to put things right.

My final decision

My final decision is that I do not uphold Miss R's complaint about BAG Credit Union Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 25 October 2022.

Sarrah Turay
Ombudsman