

The complaint

Mr A is unhappy that Sainsbury's Bank Plc placed a block on his credit card account or with the service he received from Sainsbury's surrounding this matter.

What happened

Mr A opened a credit card account with Sainsbury's which had a credit limit of £12,000. Shortly afterwards, Mr A undertook a transaction for £11,000. The transaction was completed, but Sainsbury's then put a block on Mr A's account while they reviewed the account for potential fraud concerns.

Approximately two weeks later, Mr A contacted Sainsbury's to ask why his account was still blocked. Mr A believed that Sainsbury's hung up on him during one of the calls he made, so he raised a complaint about the block on his account and the service he'd received, including that Sainsbury's didn't have an online chat function.

Sainsbury's responded to Mr A's complaint a few days later and explained that his account was restricted while they conducted a review but that they would let him know when the investigation was complete and when the block had been removed. Sainsbury's also confirmed that they don't have a real time online chat function as Mr A would like, but that Mr A could correspond with them via secured messaging if he wanted to do so. Mr A wasn't satisfied with Sainsbury's response, so he referred his complaint to this service.

One of our investigators liaised with Sainsbury's about this complaint. Sainsbury's acknowledged the Mr A's account was still blocked and they arranged for this to be resolved. Sainsbury's also acknowledged that Mr A's account had been blocked for longer than it reasonably should have been, and they offered to make a payment of £100 to Mr A as compensation for the upset and inconvenience this may have caused.

Our investigator felt that a higher amount of compensation was merited because of the long time that Mr A's account had been blocked and because they felt Sainsbury's hadn't fully acknowledged or responded to the service issues that Mr A had complained about. Because of this, they recommended that this complaint be upheld in Mr A's favour and that Sainsbury's should increase the compensation payable to Mr A to £200.

Sainsbury's didn't agree with the view of this complaint put forwards by our investigator, and 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.

Sainsbury's don't dispute that Mr A's account was blocked as the result of potential fraud checks for longer than should reasonably have been the case. However, Sainsbury's point out that there is no timescale for such checks, and they feel that the £100 they offered Mr A for the inconvenience he incurred is a fair compensation amount.

But it's difficult to understand why, in these particular circumstances, the checks into Mr A's account took so long. I say this because the account movements in question here aren't particularly complex – Mr A opened his account and he then made one transaction, which Sainsbury's allowed to complete but which prompted Sainsbury's to undertake further checks into Mr A's account. And notably, when our investigator asked Sainsbury's what checks they were undertaking and what the reasons were that these checks were taking so long, Sainsbury's were unable to provide any specific details.

Additionally, the Sainsbury's agent with whom our investigator liaised confirmed that no action had been taken by Sainsbury's fraud team in regard to the fraud checks from the point that the block was applied until the agent himself, in response to Sainsbury's being contacted by this service, chased the fraud team about the matter – at which time the checks appear to have been swiftly undertaken and the block removed.

Taking all these circumstances into consideration, I find it difficult not to conclude that, in all likelihood, the delay that Mr A experienced here wasn't the result of any complex checks that needed to be undertaken, but most likely was because Sainsbury's simply didn't work his account. And indeed, Sainsbury's have confirmed that they had a backlog of accounts at that time that required similar checks.

I can appreciate that Sainsbury's can only work to the capacity of their available staff. But any resourcing issues Sainsbury's may have had aren't Mr A's concern. And given that Mr A's complaint arose because of the length of time that Sainsbury's were taking to unblock his account, and that his account was still blocked over a month after Sainsbury's issued their response to Mr A's complaint about it – and after being contacted by this service – I don't feel that the £100 Sainsbury's have offered to Mr A does provide fair and reasonable compensation for the frustration and trouble that he's incurred here, much if which I feel could reasonably have been avoided had Sainsbury's addressed Mr A's account sooner.

Mr A is also unhappy with the service he received from Sainsbury's when he contacted them about the block on his account, including that he feels that Sainsbury's hung up on him on one of the calls. Unfortunately, Sainsbury's haven't been able to provide recordings of the calls in question. However, they have been able to provide call notes as typed by their agents, one of which states that the call disconnected before any conversation could begin. As such, while I can appreciate why Mr A may believe that Sainsbury's hung up on him, it seems plausible to me that what happened may have been that the call disconnected and that it wasn't through any fault of Sainsbury's that the disconnection happened.

Finally, Mr A is unhappy Sainsbury's didn't respond to his complaint point about the standard of service he received from them. Having reviewed Sainsbury's complaint response letter to Mr A, it's clear that Sainsbury's didn't respond to this point, but instead only addressed Mr A's points about the block on his account and the lack of an online chat facility.

All of which means that, in consideration of the circumstances of this complaint – including the unreasonable time which Mr A's account remained restricted and that Sainsbury's didn't respond to all of Mr A's concerns – my final decision here is that I'm upholding this complaint in Mr A's favour and instructing Sainsbury's to make a payment of £200 to him, which I feel provides a fair level of compensation for the trouble and upset that Mr A has incurred.

Putting things right

Sainsbury's must make a payment of £200 to Mr A.

My final decision

My final decision is that I uphold this complaint against Sainsbury's Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 December 2022.

Paul Cooper
Ombudsman