

The complaint

Mr S complains about the way that AIB Group (UK) Plc dealt with the closure of his accounts and provided him with poor customer service.

What happened

Mr S had two sole trader business current accounts and two personal deposit accounts with AIB. In September 2021 AIB wrote to him to say that it was withdrawing from commercial banking services in Great Britain and his business accounts would be closed. He called AIB in November 2021 and was told he would need to close all his accounts. Mr S arranged with a third-party business to switch his current accounts but was unable to switch his deposit accounts. He is unhappy to be told that in fact his personal accounts didn't need to be closed and also that the only effective way he can now take out money is by using a CHAPS payment with a £25 fee. Mr S was also unhappy with the waiting times when he called AIB and with its level of service.

AIB offered to pay Mr S compensation of £200. It said that the call waiting time of over an hour for Mr S wasn't the customer service it sought to provide. It said he had wrongly been told he would need to close his personal deposit accounts. But also, that the only way to transfer money out was using CHAPS as he didn't want to use the online service. It didn't agree that staff had told Mr S that its systems were wrongly set up as a result. AIB said it had made a strategic decision to close its business centres. The switching service was only for current accounts and it had been unable to transfer the deposit accounts through that service and noted that Mr S had found out about this when abroad.

Our investigator didn't recommend that AIB do anything more than it had offered to. He said it was entitled to make a commercial decision about whether to operate in Great Britain. And that the deposit accounts were being operated in line with the terms and conditions. The compensation was reasonable.

Mr S didn't agree and wanted his complaint to be reviewed. He wanted to know what the acceptable call waiting terms for AIB were and how it had calculated what should be paid in compensation. And why the assessment of the considerable stress he was caused while abroad was reasonable. He hadn't been compensated for trying to switch a deposit account. He was unhappy that he couldn't access his account other than by CHAPS payment. And he wanted to be compensated for the inconvenience of having to switch banks. He said AIB hadn't told him why the switch didn't occur, and he was considering legal action and wanted to contact the regulator.

my provisional decision

I issued a provisional decision on 26 September 2022 . I set out below what I said.

I'd asked AIB through our investigator to provide some further information about the accounts Mr S had and what happened. It provided a copy of the letter sent in September

2021 to Mr S about the future closure of his business accounts. I'd also received a recording of his call about that in November 2021.

As set out above Mr S had a mix of business and personal accounts. He didn't have a personal current account. He as I understood it had operated his accounts through a business centre. The terms of the deposit account I'd now seen state that it could be operated in business centres or via online/ or telephone banking. Mr S didn't have online banking for his business accounts.

AIB says it gave Mr S incorrect information about his personal accounts in the call of November 2021. Technically that may be the position – that he didn't have to close his personal accounts. But I thought the member of staff had noticed that the personal accounts were linked to business current accounts. What in my view he should reasonably have been told is that he would have difficulty operating those accounts in future. I said that because to access online banking required a debit card which only came with a current account. And the use of the telephone banking system seemed to follow from that. He couldn't access his accounts say at a Post Office without a debit card. And I didn't see explicit reference to the ability to make CHAPS payments from a savings account in the terms and conditions. The general personal account conditions I'd been sent state that sending such a payment would be through a business centre.

In any event Mr S did try to switch his deposit accounts. That was something he'd applied to do at the financial business alongside his current accounts. I wasn't looking at that business' actions, but the switching service is only for current accounts and so any attempt to switch his deposit accounts was bound to fail. I couldn't see that this was due to any error by AIB.

In its final response letters AIB has given Mr S the impression that because he doesn't want to use online banking he will need to pay CHAPS fees for withdrawals. It also in a final response letter of 22 April 2022 indicated he could use a Post Office which isn't the position without a debit card. My understanding was that to do either he'd need to open a personal current account and I couldn't see reference to that in the documentation I'd seen.

AIB stated that it made a commercial decision to close its business centres in Great Britain and withdraw from commercial banking in Great Britain. That was something it was entitled to decide to do and it gave Mr S notice of this in line with the terms and conditions of the account. It offered to assist him if he was finding it difficult to obtain business accounts elsewhere. And he was able to open replacements. So, I didn't see a basis for the compensation he wants for this.

I did think that he ought to have been able to close his deposit accounts and transfer the money without cost and without needing to open a current account and use online banking. I couldn't see that his specific circumstances were taken into account here or that he received clear communication about the position. I'd noted what he's said about the service provided when he followed this up with AIB. That's accepted and I didn't consider it needs to explain to him further how it runs its call centres.

my assessment

AIB offered to pay Mr S £50 for the call waiting times, £75 for the misinformation in the call of November 2021 and a further £75 for the stress he was caused when the deposit account switch failed – recognising that this followed on from the misinformation.

I'd set out my assessment of what happened above. I considered that Mr S should be paid a further £50 to cover the costs of two CHAPS payments to remove the funds from his deposit accounts at no cost to an account of his choice. And a further £100 for the inconvenience

involved. I took into account that AIB didn't make any error with the switching request and I saw no evidence that it ever told Mr S that he could switch a deposit 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.

AIB said it was happy to settle the complaint as I'd set out.

Mr S didn't agree. He said that he wanted the compensation to be revised for the number of calls he'd made. He accepted that AIB could make a strategic decision about its business, but he said it had a moral duty to a long-standing customer. In his opinion the operation of the deposit account wasn't correct. He'd have to pay £25 every time he used it and other banks charge less than £1 and his transfers weren't urgent. He wanted compensation for the worry and anxiety of switching accounts and the stress had extended to his family. They weren't able to get information about the switch either and Mr S felt he was 'in limbo' while abroad for four to five weeks. Mr S said he'd tried to explain all this to AIB and wanted to leave on amicable terms. He wanted me to review my findings and said he wanted to reserve the right to take things further.

I've reviewed my assessment in light of these comments. I set out the position regarding the switching of the deposit accounts above. That would never have been possible and AIB didn't tell him it was. I'm not looking at what the business that tried to make this switch did. And so, I don't find AIB has made an error about the switch itself.

While Mr S may want his accounts to operate in a certain way I'm afraid how they do is a matter for AIB to decide upon. Having understood the issue, the changes have created I made allowance for two CHAPS fees to enable him to transfer the money elsewhere.

We don't tend to make awards for units of time, and I won't be increasing compensation for the way his calls were handled as I thought AIB had made a reasonable offer for that.

He, as the complainant here, has been caused stress and inconvenience as a result of the misinformation he was given. And he'll now need to make arrangements for his deposits going forward. I consider I recognised that fairly in my provisional decision and I won't be increasing compensation. I can appreciate why he still feels unhappy as a long-standing customer of AIB. If Mr S doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

My final decision

My decision is that I uphold this complaint and I require AIB Group (UK) Plc to pay Mr S a total of £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 November 2022.

Michael Crewe
Ombudsman