

## The complaint

Mrs P complains ClearBank Limited took too long to return money to her on her Tide account held with it. She says this resulted in significant distress and inconvenience and she'd like to be compensated for what happened.

## What happened

I issued my provisional decision on this complaint, inviting both parties to respond with any comments and evidence before the deadline. A copy of my provisional decision is below.

### *What happened*

*On 1 April 2022, ClearBank placed a block on Mrs P's account so that it could undertake a review. It asked Mrs P some questions and requested supporting documentation about some payments. She answered the questions but didn't provide all the information that was needed, so ClearBank requested this again. Mrs P told ClearBank that she didn't want to provide additional information.*

*Mrs P didn't feel ClearBank's review team were doing enough to progress things quickly and so raised a complaint. She said she'd been contacting it regularly for news, explaining she really needed the money on her account (which was just over £550) to live.*

*ClearBank issued a final response on the complaint on 22 April. It accepted there had been shortcomings on its part in failing to respond to a number of messages Mrs P had sent. To reflect the inconvenience caused it paid her £100. In the meantime, it said it would also contact its review team to see if it could conclude the review.*

*Mrs P says she still hadn't had any update about the review. She told ClearBank that she'd spent the compensation on essential groceries and had no other available funds. She asked if it could close her account instead.*

*On 2 May, ClearBank contacted Mrs P to tell her that it would be closing her account and if she could send it an up-to-date statement of another account, it would arrange to return the account balance to her. Mrs P provided her account statement the following day. But says that despite this and a number of messages explaining she was in financial difficulty and needed her money urgently, it wasn't until 13 May when ClearBank eventually sent these back.*

*ClearBank explained it needed to complete its processes to close the account, which unfortunately took time. So, it didn't think it had made any additional errors here.*

*One of our investigators considered everything that had happened alongside the information ClearBank had provided. He recommended the complaint be upheld. In summary, he said ClearBank hadn't done enough to help Mrs P despite her telling it about her situation. He was satisfied this had led to some further distress and inconvenience. So, in addition to the*

£100 it had previously paid he felt it should pay a further £100 to reflect the impact of the ongoing issues.

ClearBank accepted the investigator's view, agreeing to pay the additional £100 but Mrs P didn't think this went far enough. She said not having her money when ClearBank knew she really needed it had affected her wellbeing and meant she couldn't do things with her children.

The investigator didn't change his mind, so Mrs P asked that her case be passed to an ombudsman for 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.*

*Mrs P doesn't appear to dispute ClearBank wasn't entitled to review her account. Her complaint is that it took too long to return funds when she desperately needed them and about the effect this had. ClearBank also accepted the investigator's recommendation that it pay additional compensation for the distress and inconvenience caused in not providing assistance, given Mrs P's situation at the time. So, it seems to me the only remaining issue for me to decide is what level of compensation would fairly resolve the complaint.*

*Mrs P told ClearBank she was grateful for the £100 it had given her in response to her initial complaint. But to note that payment was in recognition of the poor service she'd received earlier. For clarity, I think Clear Bank's response at this point was reasonable. This £100 in my view fairly reflected the impact of the customer service (or the lack of) during early to mid-part of April.*

*However, by the end of April, Mrs P outlined her financial situation once more. She told ClearBank that she was down to having nothing, so she really needed her money. In further communications after ClearBank agreed to close the account, Mrs P indicated that she couldn't provide food and that her bills were bouncing. She added that she'd had to borrow £20 from a family member to get by. Much like our investigator said, I think these were all indicators that ClearBank needed to do something to expedite the return of her funds, having already agreed on 2 May that it would reimburse her. But ClearBank couldn't give Mrs P any timescales other than say she was a priority. Eventually it appears to have stopped responding. I've included these details because I think they're relevant in understanding the degree of distress and inconvenience Mrs P was experiencing.*

*In my view, this was significantly more than annoyance and frustration. Indeed, Mrs P was extremely worried and anxious about how she'd manage. And the lack of intervention over a number of days would in my view have only heightened her distress. Our awards for compensation aren't punitive but should reflect the impact. Thinking about these factors I think £200 fairly reflects this. For the avoidance of doubt, this £200 is in addition to the £100 that ClearBank previously paid when it issued its final response. So, this would be £300 compensation for the overall complaint.*

*My provisional decision*

*My provisional decision is that I intend to uphold this complaint and require ClearBank Limited to make a further payment of £200 directly to Mrs P to reflect the distress and inconvenience caused. Again, for clarity this payment is in addition to the £100 previously paid.*

Mrs P responded to say that she accepted my provisional decision. ClearBank didn't think £200 was fair.

It said a review of this type takes time and is dependent on the member co-operating. However, Ms P didn't provide the information that was requested which added to the delay. It didn't think it could have done any more to get the money to her before, as it needed to complete its processes. That said, it accepted it hadn't provided a good level of service to Mrs P but that's what £100 reflected. It wanted these other factors taken into consideration.

The case was returned to me.

### **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've thought about what ClearBank has said. I don't think there's any dispute that ClearBank wasn't entitled to conduct a review and I reflected in the provisional decision (when setting out what had happened) that Mrs P didn't provide supporting documentation when she was initially contacted. But beyond that there were other things happening. Mrs P told ClearBank in mid-April and early May that her financial situation was critical. She didn't have any money and therefore needed access to her funds. ClearBank has said it couldn't have paid the funds until 13 May, as there were extra steps that needed to be completed. I thank it for clarifying this and acknowledge what it's said. But I still think it should have done more to help.

Mrs P's messages clearly showed that she was struggling. She mentioned her mental health and asked that someone call her. But from the online chat messages I can't see anyone intervened with a call and explored what other help and assistance could be provided, even if it couldn't give her account balance back at the time. A lack of intervention only exacerbated Mrs P's anxiety and distress.

However, it seems to me that ClearBank has accepted the service wasn't good enough. So, while noting all of the above factors, the fundamental issue here is assessing the impact of the shortcomings on Mrs P. I explained why I thought an additional £200 (separate to the £100 paid in April) was fair considering the impact. I've not seen anything persuasive in ClearBank's response that makes me think the award should be less than what I proposed. So, I've no reason to change my provisional decision that it should pay an additional £200.

### **My final decision**

My final decision is that I uphold this complaint and require ClearBank Limited to make a further payment of £200 directly to Mrs P to reflect the distress and inconvenience caused. For clarity this payment is in addition to the £100 previously paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 8 March 2023.

Sarita Taylor  
**Ombudsman**