

The complaint

Mrs H is unhappy about the service she received from Shawbrook Bank Limited after she was asked to provide information confirming the origins of money she had deposited with it.

What happened

Shawbrook contacted Mrs H to explain that as part of its due diligence process it needed evidence showing where funds had come from that had been deposited in two fixed term accounts. Mrs H has explained that one of the accounts had been funded by a previously maturing Shawbrook bond, and initially she was told that she wouldn't need to provide evidence for this account. However, it was later made clear that she did need to provide evidence for both accounts.

Mrs H says that she was confused by the information Shawbrook gave her, which came via phone and letter. In addition, Shawbrook told her to send the 'source of funds' information by ordinary email, or by post. She was not provided with an option to provide this personal information by any secure means. Frustrated and concerned with the service she was receiving, Mrs H asked her son to assist her. After a redacted bank statement that was sent by post was rejected by Shawbrook, her son sent a secure email to the business but it could not open it. The required evidence was finally sent successfully to Shawbrook when it sent a link to Mrs H that allowed her to correspond via a secure email service.

Mrs H complained to Shawbrook about the customer service she'd received. Shawbrook accepted that it should not have asked Mrs H to send personal information via unsecured email, and that it should have made her aware of the secure email service earlier. It apologised for this and offered £50 for distress and inconvenience it had caused.

Mrs H remained unhappy with Shawbrook's stance and brought a complaint to this service. She commented that she was not 'tech savvy', and Shawbrook should not have suggested to her that she send confidential information by unsecured email or by post. Mrs H said that in attempting to resolve this matter she felt scared and frustrated, and that Shawbrook's poor service had caused a lot of wasted time for both her and her son. She also said that the bank had verbally warned her that if she did not send the required information urgently, her funds would not be returned to her. This affected her ability to sleep.

When sending its submissions to this service, Shawbrook confirmed that it was willing to increase its compensation offer to £100.

Our investigator agreed that Shawbrook should have provided Mrs H with a means to send the required information via a secure link. His view was that the £100 compensation offered fairly reflected the trouble Shawbrook had caused Mrs H.

Mrs H's son responded to say that Mrs H's personal circumstances make her vulnerable. His view was that Shawbrook had placed Mrs H under coercive pressure to provide information via an insecure medium, and that £100 compensation did not fairly reflect the stress, worry and discomfort she had been caused. He also highlighted the length of time Mrs H had spent resolving the issue. Mrs H's son asked that Shawbrook increase the compensation offered.

The investigator's view remained that the sum offered by Shawbrook was appropriate in the circumstances of this case. Mrs H's son asked that this complaint be passed to an ombudsman for review.

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.

Shawbrook explained to Mrs H that to comply with its due diligence checks, it needed further information to evidence where the source of the funds that had been deposited with it were from. I note that Mrs H asked for clarification about whether such information was necessary for the account which had been funded by a previously maturing Shawbrook bond, and she says she was initially misinformed that evidence wasn't required for this sum. However Shawbrook later confirmed that source of funds evidence was needed for both accounts. I consider it was reasonable for Shawbrook to request this evidence as part of its due diligence checks. However, this dispute relates to the service Mrs H received from Shawbrook when she attempted to comply with its information request.

It is clear that the service provided by Shawbrook was poor. It initially asked Mrs H to send confidential information by unsecured email, or by post. The redacted information that was sent by post was not acceptable to Shawbrook, and Mrs H's son had to intervene to help his mother send the information securely. Shawbrook then could not open the email Mrs H's son had sent, and it was only after this that a secure link was sent to Mrs H so that the relevant confidential documents could be uploaded.

Our rules permit me to award compensation for distress and/or inconvenience caused to an eligible complainant, which in this case is Mrs H. They do not permit me to award compensation for inconvenience caused to a representative of a complainant, such as Mrs H's son. In this case, I therefore need to consider what is fair compensation to reflect the distress and inconvenience that has been caused to Mrs H, as a result of Shawbrook's poor service.

It is clear that Mrs H has been caused upset by Shawbrook's actions. I acknowledge her son's comments about Mrs H's personal circumstances, and Mrs H's description of the worry that Shawbrook's communications with her caused. Necessary interactions with a bank can cause inconvenience to a customer that is unavoidable, but in this case, Shawbrook's poor service clearly caused Mrs H unnecessary additional distress. However, in making an award for distress and inconvenience, I take into account the size of awards made on other cases with similar circumstances. Having done so, whilst I accept Mrs H was upset by the bank's actions, overall my view is that the compensation sum offered of £100 is fair in the circumstances of this complaint.

My final decision

My final decision is that I uphold this complaint in part. I require Shawbrook Bank Limited to pay Mrs H £100 compensation (this amount includes any compensation that it has already paid to Mrs H in respect of this matter) for distress and inconvenience caused by its actions.

I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 August 2023.

John Swain
Ombudsman