

## **The complaint**

Mrs M is unhappy with the way Bank of Ireland (UK) Plc handled her request for assistance after the bank refused to accept some credits into her AA-branded savings account.

## **What happened**

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Between March and May 2022 Mrs M won a total of £175 (seven amounts of £25) on her premium bonds and the money was sent to her AA savings account. Credits related to winnings received in previous months had been accepted by the bank and successfully credited to the account. But these later payments weren't similarly credited because they hadn't originated from her designated, linked account.
- The bank messaged Mrs M about this in May 2022 and she subsequently shared some information with it to try to help it trace the money. But the bank was unable to find all of the money until after Mrs M referred a complaint to this service. At that point it realised, despite what it had told Mrs M previously, that all the money was sitting in one of its holding accounts. In February 2023 the bank told this service it had sent the £175 to Mrs M's designated bank account. It also offered to pay 8% simple interest on the money as well as an additional £150 compensation.
- Our investigator thought the bank's offer was fair and reasonable in the circumstances. But Mrs M, via a representative, disagreed – she felt a compensation award of £750 to £1,500 to be more appropriate given the bank's failure to put things right sooner and the way it had treated her.

## **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 done so I've reached the same conclusion as the investigator, for much the same reasons. I think the bank's offer is fair and reasonable in all the circumstances of this complaint.

The terms and conditions of Mrs M's account say credits can only be accepted from the designated, linked account. And the seven transactions that made up the £175 relating to this complaint did not come from such an account. So I don't think it was wrong of the bank to reject those payments. It's not clear to me why previous payments from premium bond winnings *were* accepted into the account. But I don't think this means the later payments should also have been accepted. And the bank's records indicate it wrote to Mrs M to explain what had happened.

What I do find disappointing is that the bank wasn't able to resolve this matter promptly and it's not clear to me how or why it got things so wrong after Mrs M got in touch to query the

returned payments. But I don't think, as Mrs M's representative seems to be suggesting, that there was anything sinister going on here or that the bank was deliberately obstructive in the way it handled matters. I'm pleased the bank has now found and paid the money to Mrs M – I say this given there has been no suggestion the money has not now been received. And the bank has offered to add interest calculated at 8% simple per year from the transfer dates to the date of settlement. I think that represents fair and reasonable compensation given that Mrs M was without the use of her £175 for some months and this was, latterly at least, due to mistakes made by the bank.

I don't have a recording of the phone call Mrs M's representative has referred to, but I accept the possibility the bank didn't handle matters as well as it should have done. I say that, not least, given the mistakes it admits to having made including that it initially told Mrs M it had only received £50 and this had been returned to sender but it subsequently found that all of the money was still in its holding account. I've considered carefully what Mrs M's representative has said about the impact the bank's actions and/or inactions had on her. But, overall, I think £150 fairly compensates her for any distress and or inconvenience she was caused in pursuing this matter.

### **My final decision**

My final decision is that I uphold this complaint and instruct Bank of Ireland (UK) Plc to pay Mrs M:

- Interest on the £175 calculated at 8% simple per year from the date each of the seven payments was sent to the bank, to the date of settlement, and;
- £150 compensation.

If Bank of Ireland (UK) Plc considers that it's required by HM Revenue & Customs to deduct income tax from the interest award, it should tell Mrs M how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Bank of Ireland (UK) Plc should settle the matter within 28 days of receiving notification of Mrs M's acceptance of my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 July 2023.

Ruth Hersey  
**Ombudsman**