

## **The complaint**

Mr L is unhappy that Curve UK Limited processed a refund to an incorrect card.

## **What happened**

Mr L made a payment of £85.93 for grocery items from a well-known supermarket using his Curve account. Mr L had cause to return some of the grocery items to the supermarket and he received a refund of £4 to his Curve account because of this. However, Curve didn't then return that £4 to the debit card Mr L had used to make the payment, but instead processed the £4 refund to a credit account Mr L was in the process of closing and which he'd already deleted from his Curve app. Mr L wasn't happy about this, so he raised a complaint.

Curve responded to Mr L and explained why the mistake had happened. Curve also credited Mr L with £4 to his Curve account to cover the misdirected refund and gave Mr L the information needed to recover the £4 from the credit provider it had been incorrectly sent to, should he wish to do so. Mr L wasn't satisfied with Curve's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They noted that because Curve had processed the £4 to a credit account which Mr L had been in the process of closing, that account had been put into a position of credit which had delayed the closure of the account and inconvenienced Mr L. Because of this, our investigator felt that this complaint should be upheld in Mr L's favour and that Curve should make a payment of £50 to Mr L as compensation for the inconvenience he'd incurred as a result of Curve's mistake.

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

Curve have explained that they use an auto-refund system and has provided details as to how the logic that determines which card a refund is processed to works. And so, I can understand why Curve refunded the £4 to the incorrect card as it did.

However, regardless of why the refund was processed to an incorrect card, the fact remains that Curve processed the refund to an incorrect card. And this means the logic that Curve employs when processing refunds resulted in an incorrect outcome in this specific instance.

It doesn't necessarily follow from this that Mr L has incurred a detriment for which I feel its fair he should receive compensation, and I note both that £4 is a relatively small amount and that Curve reimbursed that amount back to Mr L in the form of a credit to his Curve account. And so, I don't feel that Mr L incurred a notable detriment as a result of not having access to the £4 for the time that he didn't.

But because Curve incorrectly refunded the £4 to a credit account that Mr L was in the process of closing, I do feel that Mr L has incurred a degree of inconvenience that he shouldn't have reasonably had to incur because of the actions he needed to take in regard to that credit account as a result of Curve's mistake.

This is because the credit account in question could only be closed once the account balance had been taken to zero and when no activity had taken place on the account for three months. Mr L had taken the account balance to zero, but the reimbursement from Curve put that account £4 in credit and meant that Mr L wasn't able to close the account as he wanted to do until three months after he'd arranged for the £4 to leave that account.

I'm in agreement with our investigator that Mr L should fairly be compensated by Curve for this inconvenience which I'm satisfied occurred through no fault of Mr L's and solely because Curve's refund logic didn't result in a refund being processed to a correct card in this instance.

And I feel that the £50 compensation amount recommended by our investigator is a fair compensation amount in this instance, given the inconvenience that Mr L incurred in having to contact the credit provider and having to delay the closure of his credit account as I've described it.

As such, my final decision here is that I'll be upholding this complaint in Mr L's favour and instructing Curve to make a payment of £50 to him.

### **Putting things right**

Curve must make a payment of £50 to Mr L.

### **My final decision**

My final decision is that I uphold this complaint against Curve UK Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 June 2023.

Paul Cooper

**Ombudsman**