

The complaint

Mr B complains about how long Leeds Building Society took to refund £18,000.

What happened

Mr B says he paid £18,000 into his account but it was rejected as he had already used his yearly allowance. He says the refund took from about 7 February 2023 to 28 February 2023 to return to his account. Mr B says he had no idea where his money was, and Leeds was unable to tell him what was going on. He says he was caused distress and inconvenience. Mr B would like appropriate compensation and says he made a number of visits to both his other bank and Leeds.

Leeds says it upheld Mr B's complaint and has apologised. It says the problem was caused by a partner firm needing to carry out validation checks and so can't be responsible for that.

Mr B brought his complaint to us and our investigator upheld it and thought Leeds should pay £200 compensation as he was caused a significant level of distress for some time.

Leeds doesn't accept that view and says the other business was entitled to carry out those checks.

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 have come to the overall view that I uphold this complaint and think Leeds should pay Mr B £200 compensation.

I'm satisfied that Leeds took Mr B's payment and told him he could make it. That was incorrect advice as Mr B had exceeded his allowance for that tax year. There is also no dispute that Leeds then took from 7 February 2023 until the 28 February 2023 to refund what I think was a relatively large sum of money. I appreciate Leeds now says the delay was caused by a business partner, despite accepting responsibility for the mistake in the final response letter. But I'm satisfied Leeds is responsible for the delay and is responsible in these circumstances for the actions of whoever it chooses to process payments.

I have no doubt Mr B was caused a significant level of distress and inconvenience and would have been worried for some three weeks where his money was. I accept what Mr B says that Leeds was unable to re-assure him about his concerns and was unable to explain what the problem was. I have made clear this was a large amount of money that took three weeks to return. I also accept that Mr B was caused inconvenience by attending both a Leeds branch and the branch of his other bank to check the position. So, I'm satisfied this was not a simple mistake that had little consequence but a problem that meant not only repeated branch visits but also telephone calls to check on the return.

For those reasons I don't think £100 compensation is fair and reasonable or fairly considers

what took place here or the time it took to sort out. I'm satisfied that Leeds should pay £200 compensation which I think is fair and reasonable.

Putting things right

Leeds should pay Mr B £200 compensation in total. I can see it has paid £100.

My final decision

My final decision is that I uphold this complaint and order Leeds Building Society to pay a total of £200 compensation less any payments already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 October 2023.

David Singh
Ombudsman