

The complaint

Mr P complains about how Sainsbury's Bank Plc dealt with an account security issue.

What happened

Mr P says in July 2022 he had fraud concerns about his credit card account. He says his password was reset but Sainsbury's recorded it incorrectly which meant he failed its security process. Mr P says he was unaware of his account balance and borrowed money to make his repayment. He says he was required to obtain certified identity documents which required him to take time off work. Mr P also says he was caused inconvenience whilst on holiday and would like an appropriate level of compensation.

Sainsbury's accepts it made a mistake with the password and that it ought to have dealt with Mr P's complaint in August 2022 not December 2022. It says it paid £150 compensation and says it's Mr P's responsibility to manage his account. It also says he ought to have been aware of the account spending and that he still had account access.

Mr P brought his complaint to us, and our investigator upheld it and recommended Sainsbury's pay £250 compensation. The investigator thought Mr P made about five telephone calls to Sainsbury's and was required to obtain certified identity documents which would have caused significant inconvenience.

Sainsbury's doesn't accept that view.

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.

The only real issue for me to decide is the compensation level. There is no dispute that Sainsbury's made a mistake in recording the password incorrectly which resulted in account use problems and in Mr P making a number of telephone calls to try and resolve the position. I can also see that Mr P was required to provide identity documents which meant he took time off work and travelled to his bank to obtain them.

So, I have no doubt Mr P was caused a fairly significant level of distress and inconvenience. The problems continued for most of August 2022 until they were resolved, and I accept that for part of that time Mr P was on holiday unable to use his credit card account. I also think it would have taken some time to arrange and obtain certified identity documents from a bank.

I don't think the £150 compensation paid fairly reflects the level of mistake or inconvenience and distress caused. I agree with the investigator that £250 is appropriate here for the reasons I have explained and that it took until December 2022 for Sainsbury's to provide an explanation. Although complaint handling is not a regulated activity, I can see that Sainsbury's accepts it ought to have dealt with the complaint in August 2022 and provided

Mr P with its explanation for what took place.

I accept that this was Mr P's account and his responsibility to manage it. And I think Mr P ought reasonably to have known about his spending in overall terms. But I'm satisfied overall this was Sainsbury's mistake that took some time to sort out with a number of calls as well as a visit by Mr P to his own bank. For those reasons I think Sainsbury's should pay a further £100 compensation.

Putting things right

Sainsbury's should pay a further £100 compensation making a total of £250.

My final decision

My final decision is that I uphold this complaint and order Sainsbury's Bank Plc to pay Mr P a further £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 October 2023.

David Singh
Ombudsman