

The complaint

Mrs C complains that Chip Financial Services Ltd (trading as Chip) unfairly closed her account and refused her claim for a bonus under the Refer a Friend Scheme.

What happened

In 2023, Chip were offering a refer a friend promotion scheme when opening new accounts. Under the scheme Chip were offering the individual opening the account and the person who referred them a £20 bonus each. To be eligible for the bonus payment, the person opening the account had to be a new customer and never previously held a Chip account.

In February 2023, Mrs C opened a savings account with Chip by depositing a pound, following a referral being made by a relative.

Shortly after the account was opened, Chip reviewed Mrs C's application and decided to close the account immediately. It also said it wouldn't be paying Mrs C the bonus payment.

Mrs C complained to Chip about the closure of her account and refusal to pay the bonus. Chip didn't uphold her complaint. They said they had acted fairly in closing Mrs C's account, and not paying the bonus. Chip also said it had done so in line with the terms and conditions of the account, and the refer a friend promotion.

Mrs C wasn't happy with Chip's response and brought her complaint to our service. She said that she hadn't done anything wrong and felt that Chip had treated her like a criminal. Mrs C said that she and her relative were entitled to the bonus payment so she's lost out.

One of our investigator's looked into Mrs C's complaint. After reviewing everything the investigator said that Mrs C had previously had an account with Chip, so she wasn't eligible to receive a referral bonus, as she wasn't a new customer. So, he said Chip hadn't done anything wrong by not paying this to Mrs C after she opened an account. He thought that Chip should have given Mrs C more notice when it closed her account, but said that the immediate closure hadn't caused Mrs C any detriment.

Mrs C disagreed. She accepted that Chip could close her account. And pointed out that she was a customer of Chip previously, and didn't have any issues. She also said that her son and granddaughter had the same issues, but received their bonus payments. So it's not fair that she doesn't get to receive her bonus.

As no agreement could be reached the matter came to me to decide.

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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive

information. Some of the information Chip has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mrs C, but I'd like to reassure her that I have considered everything.

Mrs C has accepted that Chip can close her account. So I won't be addressing this aspect of Mrs C's complaint any further. So, I will go on to look at whether Chip acted fairly by not paying Mrs C the bonus payment.

The terms and conditions of the Refer a Friend Scheme say the following;

If you are being referred:

You must be a new Chip customer. Enter the referral code you were given and deposit at least £5,000 into the Chip Instant Access Account.

A new Chip customer is defined as someone who has never previously held a Chip account.

Chip has provided this service with evidence that Mrs C had an account with them previously in 2022. It appears Mrs C doesn't dispute this as I can see that she has told this service on more than one occasion that she used to have an account with Chip – in her email to us dated 14 July 2023, which she sent in response to the investigator's view Mrs C stated "But I was a customer before – no issue that time."

Having looked at the terms and all the evidence, I'm satisfied that when Mrs C opened the account in February 2023, she wasn't a new customer. So she wasn't eligible to receive the bonus payment. Therefore, I don't find Chip treated Mrs C unfairly when it declined to pay her the bonus because she wasn't entitled to it. So I won't be directing Chip to pay this to Mrs C.

I acknowledge that Mrs C has referred to other members of her family being able to receive the bonus payment after having the same issue that she has experienced. But I can't comment on that. I am only concerned with the facts of this complaint.

In summary, I realise Mrs C will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Chip have treated Mrs C unfairly and I won't be asking Chip to do anything further to resolve Mrs C's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 4 March 2024.

Sharon Kerrison
Ombudsman