

The complaint

Mr S complains that BNY Mellon Fund Managers Limited ('BNYM') unfairly prevented him from funding an investment ISA in March 2023. He says that BNYM failed to explain that it did not accept Mastercard debit payments, despite its website suggesting otherwise.

What happened

On 16 March 2023, Mr S complained to BNYM by email. He said that he had been forced to invest his £20,000 for the tax year with a different business because BNYM's InvestorZone portal repeatedly refused his payment attempts.

On 14 April 2023, BNYM rejected the complaint. It said it had taken Mr S's concerns on board, and arranged to accept Mastercard debit payments from June 2023 onwards. However, its InvestorZone did not show a Mastercard logo in March 2023; that was since it could only accept Visa and Maestro payments online at that time and its website confirmed as such. That WorldPay included a Mastercard logo was not something BNYM had control over, but it had otherwise been clear on its own website about its available payment methods for depositing funds into an investment ISA.

An investigator from this service reviewed the complaint, but he did not believe it should succeed. He said he was unable to agree that BNYM had done anything wrong. BNYM didn't accept Mastercard payments for funding its ISAs and its InvestorZone had confirmed that. He agreed that BNYM shouldn't be held accountable for the third party merchant payment provider, and though Mr S was frustrated, this wasn't the fault of BNYM.

Mr S did not accept our investigator's view. Across two further emails, he made a number of additional submissions. In summary, he said that:

- it was BNYM's choice to accept the flawed WorldPay system, not his;
- BNYM also failed to put Mastercard payments in place for potential investors, yet it allowed WorldPay to imply it had done so by association;
- this meant he and other potential investors experienced a nonsensical inability to invest, caused by BNYM's lack of clarity;
- Mr S wasn't responsible for this mistake, so it follows that BNYM must be accountable;
- he was not able to access a financial service set out by BNYM – and that must be its fault;
- he isn't seeking compensation but instead, he wants recognition from BNYM that its systems caused him - and undoubtedly other investors - consternation, inconvenience and frustration;
- instead, BNYM has merely displayed outright arrogant dismissal of his concerns;
- he accepts there has been no financial loss – but there could have been;
- his view is that in the 21st century, sending payment instructions by paper form and cheque is unrealistic;
- he tried to use a system in good faith and it didn't work, and BNYM is responsible for that;

- therefore the complaint should succeed on the grounds that it has behaved wrongly in the circumstances;
- otherwise, the complaint should be passed to an ombudsman.

Since our investigator was not minded to change his opinion, the complaint was referred for review by an ombudsman. BNYM had no further comments to make.

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 appreciate how strongly Mr S feels about the matter, and whilst I am mindful of his frustrations, I cannot uphold a complaint purely because of a complainant's upset. I have considered everything Mr S and BNYM have said carefully, but like our investigator, I am not persuaded that BNYM acted unfairly or unreasonably. So, though I recognise that this won't be the outcome Mr S has hoped for, I am not going to uphold this complaint. That means I cannot direct BNYM to accept responsibility or make the concession Mr S has asked for.

It's important for me to point out that we do not act in the capacity of a regulator. That means our decisions don't ordinarily interfere in how a business may conduct its operations or exercise what may be commercial judgment on the provision of a particular service. That remit falls to the Financial Conduct Authority ('FCA').

Whilst Mr S is entitled to form his own view on the reasonableness of BNYM's inability to accept Mastercard debit payments and its choice of merchant acquirer, I must also do the same. And from an objective standpoint, I do not consider that this matter has been unfairly handled.

In March 2023 - before the end of the 2022-23 tax year - Mr S wished fund an investment ISA using his debit card. However, at that time, BNYM did not accept payments from Mastercard, only Visa debit and Maestro. That was a decision for BNYM to make; I don't believe I should interfere in a reasonable commercial choice made by a financial business.

My role is to decide whether, in undertaking some type of regulated activity (in this case dealing in an investment as a principal), BNYM has acted fairly towards its customer. I agree with Mr S that this allows me to consider omissions as well as acts by BNYM – as the rules applying to this service allow for that. However, I disagree that in not including Mastercard as a means of payment, that BNYM was made an unreasonable omission. It was free to choose which payment methods it was prepared to accept for online deposits to investment ISAs.

If Mr S was unhappy with the options open to him and did not have another payment means by which to fund his ISA, BNYM had informed him how he could manually credit the ISA by sending payment through the post. I understand this was not something Mr S wanted to do – but he did not have to accept that method, and subsequently, he invested elsewhere. I see nothing wrong with BNYM's actions in relation to the information it gave Mr S at the time.

And whilst I know it was frustrating for Mr S to attempt failed payments using Mastercard, that was because he understood the third party merchant payment provider did accept Mastercard generally. However, BNYM has no authority over WorldPay or how it processes payments, as it does so entirely independently. BNYM was required to inform its prospective investors about the available methods to fund investment ISAs– and it did that for Mr S.

Finally I note that following Mr S bringing his complaint, BNYM has since gone on to allow Mastercard debit card payments effective from June 2023. But, that doesn't mean I must

uphold Mr S's complaint; his instruction was for the previous tax year, and BNYM made clear to him in March 2023 how it didn't accept Mastercard debit cards as a method of payment. That was a matter of BNYM's choosing, which as I've noted, Mr S was free to accept or reject.

My final decision

For the reasons outlined above, I do not uphold this complaint.

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

Jo Storey
Ombudsman