

The complaint

Ms S is unhappy that Citibank UK Limited blocked a transfer she instructed and with the service she received surrounding that blocked transfer.

What happened

Ms S instructed a transfer of £70 from her Citibank account to a third-party recipient. But the recipient never received the money and when Ms S asked Citibank about it they explained that the reference details Ms S had included with the transfer had been flagged by their systems for further checks.

Citibank then asked Ms S what the transfer was for, and Ms S explained that it was a payment for a school trip for her young daughter which was being being paid to a parent of one of her daughter's classmates, and that the reference included the name of the school and the name of her daughter.

Citibank then asked Ms S to provide her daughter's full name and date of birth, which Ms S refused to do as she didn't feel that Citibank had any reasonable need for her daughter's personal information. Citibank then refused to release the payment without this information, and so Ms S raised a complaint. Citibank responded to Ms S's complaint but didn't feel they'd acted unfairly by requesting the personal information about her young daughter that they had. Ms S wasn't satisfied with Citibank's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel Citibank had acted fairly by insisting on Ms S's daughter's personal information before releasing the money, so they recommended that the complaint be upheld in Ms S's favour and that Citibank should pay £100 compensation to Ms S for the trouble and upset she'd incurred. Citibank 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.

Having done so, I'm in agreement with our investigator that Citibank haven't acted fairly towards Ms S here by insisting that she provides the full name and date of birth of her young daughter before allowing the transfer to complete, and so I'll be upholding this complaint in Ms S's favour.

Both our investigator and I have asked Citibank to provide a reasonable and coherent explanation as to why they required the date of birth of a young child to allow the transfer that Ms S wanted to make to complete. However, Citibank have failed to do this, and instead have explained that they've followed their process in such circumstances, which includes that a date of birth is required.

It's for Citibank to decide its processes, and it isn't within the remit of this service to instruct a business to change a process it's chosen to implement. But it can be the case that the following of a set process can lead to an unfair outcome, and I feel this is what's happened in this instance. And, in such a scenario, it is within the remit of this service to consider the unfair outcome resultant from the following of the process and to uphold a complaint and award compensation because of it.

Ultimately, it doesn't seem fair to me that Citibank would refuse to process a transfer because they weren't given a date of birth for a young child – a child who the payment wasn't being made from or to, but whose name was only a reference for the payment. And this is especially the case given that – despite being asked – Citibank haven't confirmed how they would use that date of birth, given that they wouldn't be able to cross reference it against any information about Ms S's daughter, including her date of birth, which it's my understanding that Citibank don't possess, and which isn't in the public domain.

I also feel that if Citibank were attempting to cross reference Ms S's daughter's date of birth against the date of birth of someone else, this could have been achieved by other means – such as by asking Ms S to confirm that her daughter is under school leaving age.

All of which means that I'm satisfied that Citibank have requested personal information for Ms S's young daughter that they had no fair right or reason to request, and because of this I'll be upholding this complaint against them.

It's my understanding that Citibank have already released the £70 transfer amount back to Ms S. However, I hereby instruct Citibank to pay £100 to Ms S as compensation for the trouble and upset she's unfairly experienced because of what's happened. In arriving at this position, I've considered the frustration and inconvenience that Ms S has encountered, as she's explained it to this service, as well as the general framework this service uses when considering compensation amounts, details of which are on this service's website.

Putting things right

Citibank must make a payment of £100 to Ms S.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 20 September 2023.

Paul Cooper

Ombudsman