

The complaint

Mr M complains about Carrickfergus Credit Union Limited failing to freeze his account and subsequently removing funds from his account without his authorisation or agreement. Also, their complaint handling and service.

What happened

There are three strands to Mr M's complaint. They are:

1. Carrickfergus didn't freeze Mr M's account as agreed in 2008

Mr M opened a Carrickfergus account (and became a member) in 2004 and he last used his account in 2007. Mr M explains that he attempted to close this in 2008 but, due to a new address on his identity documents, this wasn't possible. He says Carrickfergus advised him that his account would be frozen until he returned to their office with the new address documents they required. However, as he never returned, he assumed his account was still frozen.

The address listed on Mr M's account was his mother's and he was shocked to receive a Carrickfergus letter at his mother's address in 2023, the first communication in 15 years, and discover that his account hadn't been frozen after all.

2. Carrickfergus removed funds without authorisation or agreement

Mr M explains that although he thought his account was frozen, a small amount of funds remained. However, he was also shocked to discover Carrickfergus had deducted £49 from his account without his authorisation or approval.

The deductions were due to a new administration fee (which since 2019 totaled £9) and a Benevolent Scheme fee (which since 2019 totaled £40). And the Carrickfergus letter received in 2023 was because there were insufficient funds in Mr M's account for them to continue to take the administration and Benevolent Scheme fees.

Mr M complained to Carrickfergus and requested reimbursement of these fees.

Carrickfergus said they were unable to reimburse Mr M. They explained that they wrote to Mr M in April 2019, at the address they had listed, advising him of their intention to take the above-mentioned fees giving members until June 2019 to respond and give views.

3. Carrickfergus complaint handling service including the service provided by a manager

Mr M is dissatisfied with Carrickfergus' complaint handling process. Also, the service he received from the Carrickfergus manager. He says that when he asked the Carrickfergus manager to investigate the above issue he rudely said, "it is what it is" and was unwilling to help.

Also, the manager agreed to call him on his mobile but shredded his number and instead called him back on his mother's landline. In addition, the manager agreed to confirm the reimbursement refusal decision in writing, however Mr M didn't receive this. So, Mr M questions whether the manager referred his complaint to the board as stated.

Furthermore, when the manager replied to an email from Mr M he initially ignored Mr M's request for someone else to deal with the issue.

Referral to our service

Mr M referred his complaint to our service; however, our investigator didn't uphold his complaint.

As Mr M remains dissatisfied, this case has now been referred to me to look at.

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 not upholding this complaint and I'll explain why.

I should explain that our role is to consider the submissions presented and, where we think a business hasn't acted fairly and / or reasonably in the circumstances, to decide what should be done to put right any financial, or non-financial losses that a consumer has experienced. In cases where information is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

For the following reasons, I'm unable to consider Strands 1 and 3:

- Regarding strand 1, that Carrickfergus didn't freeze Mr M's account as agreed in 2008:

I recognise that Mr M firmly believes that, following a verbal agreement, his account should've been frozen back in 2008. However, there is currently no evidence to support this, and our service is unable to investigate Mr M's interaction with Carrickfergus in 2008. As stated by our investigator, this is because our Service has only been able to look at complaints about credit unions in Northern Ireland since 31 March 2012 when they became regulated by the Financial Conduct Authority.

So, complaints earlier than this date should be referred to The Registry of Credit Unions and Industrial & Provident Societies. Mr M appears to be relying on a verbal agreement but if he thinks his conversation was documented, due to the passage of time, I suggest he first enquires about Carrickfergus data retention policy.

Mr M was aware that he had some funds remaining and says he was planning to go back to the Carrickfergus office to close his account. So, with no evidence that Mr M arranged for his account to be frozen and a frozen account remaining an open account, I think it reasonable of Carrickfergus to say that it was Mr M's responsibility to know what's happening with his account.

I will below refer to Mr M's concern that Carrickfergus have been sending post to the wrong address. However, as Mr M was planning to update his address, knew funds remained in his account and hadn't yet closed his account, I would've expected Mr M to have made contact with Carrickfergus prior to 2019.

- Regarding Strand 3, about Carrickfergus complaint handling service including the service provided by a manager:

As mentioned by our investigator, there are rules (known as DISP Rules) laid down by the Financial Conduct Authority which means complaint handling is not a regulated activity. So, specific complaints about how Carrickfergus manage complaints, including their decision making, can't be considered by our service.

Mr M says the manager was rude and unhelpful and delayed lodging his complaint. Also, he questions the actions the manager said he undertook.

There are no recordings or file notes to evidence either the manager's conversations or actions here, so it isn't possible to confirm:

- What was said and whether the manager was unhelpful
- If Mr M did mention the word complaint prior to the complaint being lodged
- The method and dates the manager raised Mr M's issue with the board

However, from reviewing the file, I'm not persuaded that there is an integrity issue here or that the manager didn't offer help.

I recognise Mr M's frustration and annoyance at the manager not keeping his phone number, calling him back and calling his mother's landline, but for us to make an award we'd need to see that the impact of a mistake was more than someone would expect to experience as part of everyday life.

- Regarding Strand 2, which I can consider, that Carrickfergus removed funds without authorisation or agreement:

As mentioned above:

- There is no evidence that Mr M arranged for his account to be frozen
- A frozen account remains an open account
- I would've expected Mr M to have made contact with Carrickfergus to close his account prior to 2019
- I think it reasonable of Carrickfergus to say that it was Mr M's responsibility to know what's happening with his account

As Mr M didn't return to close his account, his previous address (his mother's) remained on his account. Mr M says that he didn't receive any correspondence at his mother's address until March 2023 and, because of Carrickfergus' staff and manager comments, he believes that Carrickfergus must've sent his post to a similar named address by mistake.

From reviewing the file, there is no evidence that Carrickfergus mistakenly entered the wrong address or received any returned post. And, as Carrickfergus don't record calls, I'm unable to clarify if an incorrect address was stated. So, it's unclear what happened to 15 years' worth of post.

Although Mr M wasn't using his account, as he didn't close it, I think he should have notified Carrickfergus of his new address. Instead, it appears that he relied upon his mother storing and notifying him of any correspondence that arrived in his name. And I think it more likely than not that Carrickfergus did send correspondence to Mr M including notification letters about the Benevolent Scheme fees which would've enabled Mr M time to respond, advise Carrickfergus of his views or close his account.

So, I think it more likely than not that Carrickfergus sent Mr M notifications so didn't remove funds without his authorisation or agreement. And, on balance of probabilities, I think the notification letters were received. Also, as Mr M hadn't closed his account and wasn't aware of any correspondence I think he should've made contact with Carrickfergus prior to 2019.

So, having considered the above and all the information on file, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 February 2024.

Paul Douglas
Ombudsman