

## **The complaint**

Mr d complains that Citibank UK Limited ('Citi') delayed payments from his investments into his account. He wants Citi to improve its systems and processes and pay him compensation, including a proportion of the money he was temporarily deprived of.

## **What happened**

Mr d held a number of investments in an account provided by Citi.

In January 2022 Citi paid £150 compensation to Mr d in recognition of inconvenience he'd suffered in relation to two technical errors that had affected his account.

On 5 January 2023 the following two payments from investments in Mr d's account were due to be paid to him:

- A coupon payment of USD 2,138 ('the coupon payment')
- A lump sum payment of USD 4,275 ('the lump sum payment')

Mr d complained that Citi hadn't credited the payments to him when it should have. Citi said the coupon payment was settled in line with its terms and conditions. But Citi said the lump sum payment was five days late, meaning five days outside Citi's own service standards. Citi said the delays were caused by a technical issue. It offered Mr d USD 150 to compensate for the delays.

In April 2023 Mr d referred his complaint to this service. He said he'd experienced repeated errors by Citi over a period of time, including but not limited to delayed payments in January 2023. He said he'd been inconvenienced and distressed. He said he feared technical errors by Citi would cause him financial loss.

One of our Investigators looked into Mr d's complaint. The Investigator told Mr d he could consider the delays that occurred in January 2023. But the issues Mr d had mentioned that had occurred before that weren't within the jurisdiction of this service to consider. That was because Mr d had received a final response from Citi on those issues, but he hadn't then referred his complaint to this service within the time allowed under the complaint handling rules that apply to this service. And Citi didn't give permission for us to consider those issues. Mr d accepted the Investigator's view about that.

In relation to the delays of January 2023 the Investigator agreed with Citi that the coupon payment had been made on time but the lump sum payment was five days late. But the Investigator didn't agree with Citi's offer to put things right. The Investigator recommended Citi should pay Mr d the following:

- 8% interest on the balance of USD 4,275 for the time Mr d was unfairly deprived of his payment
- £150 for distress and inconvenience

The Investigator said he took into account that, when Mr d experienced delay on the lump sum payment, he'd already experienced other technical errors by Citi and been assured by Citi that the issues causing the errors were fixed.

Mr d said he thought it was right the complaint should be upheld against Citi.

Citi didn't agree with the Investigator's view. It said when deciding compensation amounts it followed examples set by this service. And it had sought to pay Mr d in USD because his account and transactions were in USD. Citi also said the financial loss Mr d suffered was small – amounting to about USD 5. So its offer of USD 150 was intended to cover the financial loss as well as distress and inconvenience, even though Citi hadn't explicitly acknowledged the financial loss.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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 upholding the complaint. I think the compensation recommended by our Investigator is fair. I'll explain why.

It's not in dispute that Citi made an error which delayed Mr d's lump sum payment by five days beyond Citi's own service standards. What hasn't been agreed is what Citi should do to put right the error for Mr d.

Firstly, I reiterate that the role of this service isn't to punish a business or tell it how it should operate. So I won't be looking to tell Citi to change its systems or procedures. But where Citi's systems or procedures haven't worked properly and that's caused a problem for Mr d, I'll consider the impact of that on Mr d and aim to have Citi put things right for him.

In considering the amount Citi should pay Mr d for distress and inconvenience, I've taken into account that Mr d said he experienced a heightened level of frustration due to having experienced similar issues with Citi in the past. To be clear, I'm not making any award in respect of those past issues – I agree that those issues are outside the jurisdiction of this service. But in assessing the impact of the January 2023 delay I note that Mr d was in the position of having experienced previous errors. Citi had acknowledged those errors and given assurances that the issues causing the errors had been resolved. Although the January 2023 delay may have been caused by a different technical issue, Mr d mentioned feeling heightened worry associated with diminished confidence in Citi's systems. I don't think that's an unreasonable reaction in the circumstances.

Given the circumstances, I'm satisfied £150 is an appropriate amount to compensate for the distress and inconvenience caused by the January 2023 delay. I think it's in line with the level of distress and inconvenience Mr d experienced. And it's consistent with awards made by this service in circumstances where an error has had an impact that lasted a few days and caused greater frustration and annoyance than might reasonably expected from day-to-day life.

As well as suffering distress and inconvenience Mr d was deprived of his money for five days. Although the amount of interest due to Mr d in respect of that will be small, I think it's fair to acknowledge that Mr d was unfairly deprived of his money for a time, even if the direct financial loss he suffered as a result of that wasn't large. In his complaint to this service Mr d

expressly asked to be paid a fair proportion of the money he was deprived of. I don't think that's an unreasonable expectation. An award of 8% interest per annum reflects the cost of Mr d being deprived of his money for a time.

I can understand why Citi offered a payment of USD 150. And I can understand why Citi thought a round figure such as that could encompass the financial loss Mr d suffered, given that the amount of Mr d's direct financial loss was relatively small. In short I accept that Citi made its offer in good faith, intending to put things right for Mr d. But, taking everything into consideration, and for the reasons I've set out, I'm satisfied the award I'm making is fair.

### **Putting things right**

To put things right, Citibank UK Limited must pay the following to Mr d:

- Simple interest at the rate of 8% per annum on USD 4,275 covering a period of five days
- £150 to compensate for the distress and inconvenience its error caused him.

If Citibank UK Limited has already paid USD 150 to Mr d in respect of the January 2023 delay it may deduct that amount from what it must pay under this award.

Citibank UK Limited may deduct income tax from the interest element of this award. It must give Mr d a certificate showing how much tax is taken off if he asks for one.

### **My final decision**

For the reasons I've set out above, my final decision is that I'm upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr d to accept or reject my decision before 12 March 2024.

Lucinda Puls  
**Ombudsman**