

The complaint

Mr M complains Amplifi Capital (U.K.) Limited trading as My Community Finance (MCF) failed to act on his instructions regarding his maturing deposit held with them.

What happened

Mr M says he deposited funds with MCF on a one-year fixed deposit that had a maturity date of 25 December 2022. Mr M says he gave instructions to MCF on 23 December 2022 to reinvest £80,000 at the offered rate of 4.4% and return the remaining balance of £6,207 to him. Mr M says MCF failed to action his request, so he raised a complaint in January 2023, but this was ignored.

Mr M says despite regularly chasing MCF, he heard nothing back until he received an email in late May 2023, incorrectly dated March 2023 and this failed to address why it didn't action his maturity instructions or apologise for not acknowledging his complaint earlier.

Mr M says MCF only offered to back date the interest at 4.4% on the £80,000 he was going to reinvest with them and make a payment of £100 for the inconvenience caused to him. Mr M says this offer wasn't acceptable given the stress and worry he had gone through during this time. Mr M also made the point MCF failed to consider his concerns that it held his funds in excess of £85,000, which was over the FSCS protection limit, and that he was hoping to use the £6,207 that he'd asked to be returned, over the Christmas break to help friends and family, which he wasn't able to do. Mr M says he could have also reinvested the £6,207 in a higher rate savings account with another provider.

Mr M says he was also unclear why MCF had responded to his complaint as he believed his deposit was held by another entity.

MCF apologised and upheld Mr M's complaint and agreed to honour the rate of interest of 4.4% on the £80,000 Mr M was going to reinvest backdated to 25 December 2022. MCF also agreed to pay Mr M £100 for the poor customer service and inconvenience caused. MCF says it asked Mr M where he wanted the excess deposit sum of £6,207 to be returned.

Mr M wasn't happy with MCF's response and referred the matter to this service.

The investigator looked at all the available information and upheld Mr M's complaint. The investigator felt there had been significant delays in releasing Mr M's funds and poor communication from MCF. The investigator recommended MCF increase the redress payment to £750 and pay interest of 4.4% on the full maturity balance of £86,207 for the period from 25 December 2022, when it matured to 13 September 2023 when the funds were released to Mr M, totalling £2,722.72. The investigator went on separately to explain to Mr M, MCF's service function in the process and why it had responded to his complaint.

MCF agreed with the investigator's view, but Mr M felt MCF should pay additional simple interest of 8% on the element of the deposit that should have been returned to him and as such asked for the matter to be referred 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 will also be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting and stressful for Mr M to have given MCF maturity instructions regarding his deposit, only for those instructions to be ignored and additionally not to have heard from MCF for some months despite him regularly chasing them.

Mr M has provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point he has made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything he's said – I have.

I understand Mr M wasn't clear why MCF had responded to his complaint, but I am satisfied the investigator has provided a full explanation on this point and also mentioned this had been explained in the agreement and correspondence Mr M would have received when he first opened his deposit account.

The first thing to say here is MCF have apologised and accepted its failings here. Following the investigator's view, it has now agreed to pay compensation of £750 for the trouble and upset caused, along with interest at 4.4% on the full amount of the maturing deposit backdated to December 2022, up until the funds were released to Mr M in September 2023.

Mr M didn't feel this offer was sufficient given the problems he faced and believes MCF should pay him 8% simple interest on the £6,207 that should have been returned to him in line with his instructions. Mr M says he could have used those monies over the Christmas period to help family and friends and/or deposited this amount at a higher interest rate with a competitor bank. Mr M has also made the point he was worried that his funds weren't fully covered by the FSCS deposit protection limit. So, when looking at this complaint I will now consider if the overall redress MCF have now agreed to is fair and reasonable.

Without trying to minimise the frustration and upset this matter would have undoubtedly caused Mr M here, I'm not fully persuaded by his argument that MCF should pay further compensation to him, in addition to what the investigator has already recommended.

I say this because while this service may in certain circumstances pay further interest when consumers haven't had access to funds due to a mistake by a business, these tend to be more applicable for consumers who've needed to borrow monies while these funds aren't available to them.

In this case while Mr M was clearly inconvenienced here, as he wanted to help friends and family over the Christmas period, this point has already been taken into consideration as part of the £750 redress award. This larger amount of compensation also covers the fact Mr M would have been concerned that around £1,200 of his deposit still with MCF, may not have been covered by the FSCS deposit protection limit of £85,000 and I can see that would have been stressful for him. That said, I'm satisfied the investigator has recommended a proportionate amount of compensation in line with this service's recommendations for distress and inconvenience and took into account the full circumstances of this complaint.

Afterall, it's not my role to penalise businesses when mistakes and poor service like this

occur, but to ensure the business apologises and pays a reasonable and proportionate amount of redress – I'm satisfied on balance, MCF has agreed to do that here.

It's also worth saying that the overall level of redress includes back dated interest at 4.4% on the entire deposit, including the £6,207 element. I'm satisfied that is fair in the circumstances, as while Mr M says he could have invested this at a higher rate elsewhere, he has also said he wanted to use those monies to help his family and friends, so it's reasonable to say he couldn't have done both with those monies here. So, with that in mind, I'm satisfied a 4.4% interest payment on this sum is a reasonable and fair amount for MCF to pay.

While Mr M will be disappointed with my decision, I'm satisfied this is a fair outcome in the circumstances of this complaint.

Putting things right

I instruct Amplifi Capital (U.K.) Limited trading as My Community Finance to pay Mr M a total of £750 by way of compensation for the trouble and upset caused. In addition, MCF should pay Mr M £2,722.72 representing 4.4% interest on £86,207 for the period between 25 December 2022 and 13 September 2023.

My final decision

My final decision is that I uphold this complaint.

I instruct Amplifi Capital (U.K.) Limited trading as My Community Finance to pay Mr M a total of £750 by way of compensation for the trouble and upset caused. In addition, MCF should pay Mr M £2,722.72 representing 4.4% interest on £86,207 for the period between 25 December 2022 and 13 September 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2024.

Barry White
Ombudsman