

The complaint

Mr B complains about Nutmeg Saving and Investment Limited ('Nutmeg'). He says that it gave him incorrect information about how he could secure a £100 bonus on a new account. Putting this right caused him a significant amount of distress and inconvenience.

What happened

Mr B had a Nutmeg investment account. He was informed by Nutmeg that if he opened a new account via the Chase App, and invested £1,000 into this, then he would be eligible for a £100 promotional offer. This would usually be paid in July 2023.

Mr B took a full withdrawal from his original account on 23 January 2023, and this was completed and paid on 31 January 2023. Mr B started the procedure to open a new account using the Chase App shortly after this.

Mr B experienced some problems when he tried to open the new account. This was because his old account wasn't fully closed as it may have received residual dividends and interest for a short period afterwards. And Nutmeg doesn't allow people to hold multiple accounts.

I can see that in late February 2023 Mr B changed his email address, as he was advised to by Nutmeg, and tried to open a new account again using the new email. But he still had problems doing this. This was because his old account was linked to his national insurance number, and that hadn't changed.

On 1 March 2023 Mr B was informed that his new account would not proceed as Nutmeg does not allow individuals to hold multiple accounts. He would also need to wait four months before closing his original account (due to the residuals). On 2 March 2023 Nutmeg confirmed that it had made a mistake and said that it would manually provide the money for the promotion into his old account. His new account had not been set up.

Mr B paid £1,000 into his old account and this was invested on 16 March 2023. Nutmeg has determined that Mr B did not lose any investment return over the period that his money was not invested. Mr B has not said that he has lost out in this way.

Mr B chased Nutmeg for details of the promotional offer that it was applying it to his account. And I can see that over the period between March and June 2023 he contacted Nutmeg asking when the promotion would be paid and requested compensation. It's accepted by all parties that there were some delays in Nutmeg properly responding to his complaint.

On 12 June 2023 Nutmeg confirmed that £100 would be paid into his new account between 3 and 7 July 2023. This was in line with the terms and conditions of the offer. I don't think there was a delay in Mr B receiving the promotion.

Mr B has complained to Nutmeg about the misleading information he was given about the promotion and the inconvenience trying to open a new account has caused him. Nutmeg has upheld this complaint and it agreed that Mr B was informed he could close his existing Nutmeg account, open a new account via the Chase App, and become eligible for the

promotional bonus. This was incorrect as Mr B was never eligible for this promotion, it was for new customers only. And it also didn't, at times, respond to his complaint in a timely manner or update him when it should have done. It outlined all the contact it had with Mr B and offered him a further £50 payment, in addition to the bonus that has been added to his account.

Mr B responded and didn't agree with the amount of compensation. He said that for all the stress and bad customer relations he should receive £250 more than the bonus amount. Nutmeg didn't agree to this, and Mr B brought his complaint to the Financial Ombudsman Service.

As far as I can see the £100 promotion plus the £50 compensation have been added to Mr B's investment account.

One of our Investigators has considered this complaint but doesn't think that Nutmeg needed to do anything further. She said that:

- It was established that Nutmeg made an error when it informed Mr B that he was eligible for the promotion.
- This caused Mr B some inconvenience as he wouldn't have closed his existing account and started a new one, and this turned out to be a complicated transaction that needed a lot of contact, and manual input from Nutmeg.
- But overall, she thought that the £150 total compensation was reasonable for the inconvenience Mr B had suffered.

Mr B responded and said that Nutmeg didn't respond within their own timeframes and the £50 goodwill gesture, plus the bonus amount of £100, wasn't enough.

As no agreement has been reached the complaint has been passed to me to consider.

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.

It's been established that Nutmeg made a mistake when it told Mr B that he was eligible for a promotion if he started a new account using the Chase App. Mr B already had a Nutmeg account and so he wasn't eligible for this promotion. As I've outlined above, this did cause Mr B some inconvenience and frustration.

So, I don't need to decide if Nutmeg made a mistake, I'll concentrate on what it did to put this right, and whether Mr B should receive further compensation.

I can see that this did take a few months to sort out and Mr B clearly had to take steps that he shouldn't have had to, such as changing his email address. And he did need to contact Nutmeg several times. So, he clearly was inconvenienced.

But we all can be inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance isn't unusual. But this the impact of this was more than I would expect a consumer to usually experience, and it clearly had an impact on Mr B.

That said, whilst this error was frustrating for Mr B Nutmeg did take steps to try and put it right in a relatively short period of time. And it could have dealt with his complaint in a timelier manner. But it did mostly correspond with him within reasonable timeframes which would have minimised this inconvenience.

And I've kept in mind that Mr B ordinarily wouldn't be entitled to the bonus as he didn't meet the terms of it. He already had an account with Nutmeg, and this promotion was for new account holders only.

Taking all of this into account, I think the £150 that Nutmeg has already paid is reasonable. I won't be asking Nutmeg to do anything more here.

My final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 March 2024.

Andy Burlinson
Ombudsman