

## The complaint

Mr P complains about Nutmeg Saving and Investment Limited trading as Nutmeg ("Nutmeg").

He complains that after opening an investment portfolio trading account Nutmeg treated him unfairly because it failed to pay him £100, as part of a promotional offer which he received news of through a bank – who I'll refer to as the third-party bank. He says Nutmeg's promotion was misleading.

## What happened

In April 2022, Mr P opened a Nutmeg General Investment Account (GIA). In January 2023 Nutmeg ran a promotional offer whereby customers could receive a £100 bonus providing they met the following criteria:

*"3. As part of this Promotion, you'll get a £100 "Investment Boost Reward" added to your Nutmeg account under 'unallocated cash' as long as you*

- a. are an existing Chase UK customer;*
- b. are an Eligible New Nutmeg Client (see what this means in section 9 below);*
- c. open a Nutmeg account through the Chase UK app;*
- d. invest a minimum of £1,000 with Nutmeg within the Offer Period (see the offer period dates in section 8 below) by opening and funding a Nutmeg ISA, Lifetime ISA ("LISA"), Junior ISA ("JISA"), general investment account, pension (also referred to as a "Nutmeg Product") or any combination of these;*
- e. maintain the minimum investment amount for your Nutmeg Product (as set out in section 11); and*
- f. remain a Nutmeg client up to 30th June 2023"*

Mr P says that he was invited by a third-party bank to contribute £1,000 in order to receive the £100 bonus. He can't recall how he received this message, but it was probably via direct message on his phone.

Mr P was an existing Nutmeg client at the time but says that at no point was he told (by Nutmeg) that he wasn't eligible. He says that when he contacted the third-party bank to ask about his £100, he was told that it would be June 2023, but the money never arrived.

He initially complained to the third-party bank but was referred to Nutmeg on the basis that it was responsible for the promotional offer. It was at this point he was told by Nutmeg that he wasn't eligible, so in due course complained.

Nutmeg didn't uphold the complaint. In summary, it said:

- Mr P wasn't eligible for the promotional offer because he opened an account in April 2022. Its terms and conditions (T&Cs) confirmed that it was only available to eligible new nutmeg customers.
- Its records show that Mr P linked his existing account to his third-party bank account

- on 1 March 2023. This didn't make him eligible.
- It was sorry that Mr P felt misled, but it hasn't done anything wrong.

Unhappy with the response, Mr P referred his complaint to our service.

One of our investigators considered the complaint but didn't think it should be upheld. In summary, he said:

- His view is only in relation to the conduct of Nutmeg and not the third-party bank.
- Although Mr P can see details of both businesses under one app, they are regulated separately.
- On the face of the evidence, he's unable to say that Nutmeg treated Mr P unfairly.
- Despite what Mr P says he was told about the offer it was still his responsibility to read the terms and conditions.
- The 'Investment Boost Reward' bonus was available to eligible customers who held an account with the third-party bank and became a new customer of Nutmeg between 23 January 2023 and 5 April 2023.
- The T&Cs for the promotion states:
  - "This Promotion is open to people who:*
    - have not invested with, or used the services of Nutmeg before"*.
- Mr P was already a Nutmeg customer and had invested into a GIA before the promotion started therefore the business hasn't done anything wrong by refusing to pay the £100 bonus.

Mr P disagreed with the investigator's view and asked for an ombudsman's decision. In summary, he made the following points:

- He'd like this case, and the companies involved, reviewed for the wider implications of this case.
- He's one of four individuals that have been duped in this way. Whilst the others have chosen not to complain, there are likely to be many more effected.
- If the complaint is found against him, he'll be taking the matter to court.

As no agreement has been reached the matter has been passed to me for review.

### **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 agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr P says, I'm unable to safely say that Nutmeg behaved unreasonably such that this complaint should be upheld. In other words, I can't safely say that Nutmeg did anything wrong by refusing to pay Mr P the £100 bonus because he didn't meet the (key) eligibility criteria. In that he wasn't an *"Eligible New Nutmeg Client"*, as required under section 3(b) of the T&Cs.

Before I explain further why this is the case, I think it's important for me to note I very much recognise Mr P's strength of feeling about this matter. He has provided detailed submissions to support the complaint, which I've read and considered carefully. However, I hope he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading, it's not what I'm required to do in order to reach a decision in this case. In other words, I don't have to comment upon every single point made. My role is to consider the evidence presented by Mr P and Nutmeg, and reach what I think is an independent, fair and reasonable decision based on the facts of the case. In the circumstances, I don't need any further evidence to make my decision.

Despite what Mr P says, I've seen no other evidence to suggest that he was told or led to believe by Nutmeg that he could contribute £1,000 and receive a £100 bonus under the promotional offer. I note Mr P says that he was encouraged by the third-party bank to invest the sum into a Nutmeg account and it's because of this (and the relationship between Nutmeg and the third-party bank) that he thinks Nutmeg might be to blame.

According to the terms and conditions, Nutmeg is the "promoter" but from what Mr P says it wasn't Nutmeg that invited him to invest £1,000 in order to receive the bonus.

In any event, it's possible that Mr P misunderstood what he was told or led to believe would be the case. The promotion was subject to T&Cs and they made clear who was and wasn't eligible.

In the circumstances, I'm satisfied that Mr P was already an existing client – having opened a Nutmeg account in April 2022 – and therefore quite clearly not eligible to receive the bonus payment under section 3(a) of the T&Cs.

In terms of what "Eligible New Nutmeg Client" meant, I note that section 9 of the terms and conditions made clear the following:

*"9. This promotion is open to people who:  
a. have not invested with, or used the services of Nutmeg before;"*

In the circumstances, I don't think Nutmeg behaved unreasonably by refusing to pay Mr P the £100 promotional bonus because he didn't meet the eligibility criteria.

I'm mindful Mr P maintains that he was encouraged by the third-party bank to invest £1,000 or more in a Nutmeg account in order to qualify for the £100. If that was the case, it's not something I can hold Nutmeg responsible for.

I note that in this case it is arguable that the two businesses were collaborating, and that Nutmeg is a part of the wider third-party bank family. However, I'm persuaded that they are two separate financial businesses in their own right – with two separate registration numbers – who are regulated separately by the Financial Conduct Authority.

I note that under the heading "General", section 22 of the terms and conditions makes clear that the third-party bank is the trading name of the European arm of a multinational finance corporation and Nutmeg is a part of that group.

In the circumstances I can't blame Nutmeg for what Mr P may have been told about the offer by the third-party bank, which I understand is not responsible for the administration of the scheme. That's not something I can blame Nutmeg for notwithstanding its business relationship with the third-party bank.

I appreciate that Mr P will be thoroughly unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what he wants to hear. Whilst I

appreciate his frustration, I can't safely say that Nutmeg behaved in a way that this complaint should be upheld.

In other words, on the face of the available evidence, and on balance, I can't uphold this complaint and give Mr P what he wants.

### **My final decision**

For the reasons set out above, I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 March 2024.

Dara Islam  
**Ombudsman**