

The complaint

Mr S complains that his debit card from State Bank Of India (UK) Limited ('SBI') didn't work.

What happened

On 23 July 2023, Mr S tried to use his debit card in a retailer to pay for goods. The debit card didn't work. Mr S used the PIN number and contactless payment methods – but neither worked.

Mr S complained. He said SBI hadn't sorted matters out for him. He wants to be able to use his debit card for purchases without the fear of being embarrassed by declined transactions. He also said SBI didn't resolve his questions or complaint when he called them.

SBI said (in their final response dated 11 August 2023) that at the retailer, he entered an incorrect PIN twice. The last PIN change was made on 3 August 2023. They apologised for any poor service experienced.

Mr S brought his complaint to us. Initially, our investigator upheld it and awarded compensation of £350. But after more evidence came forward from SBI, she changed her mind, and issued a second view – which didn't uphold Mr S's complaint. This said:

- Mr S' account was opened in 2016, and since then the debit card hadn't been used.
- A new debit card was issued in July 2022.
- To activate the new debit card, an ATM withdrawal was needed - and one hadn't been done.
- Mr S' account showed he hadn't used the account, and neither had any ATM withdrawals been made for over a year – since the new card was issued in July 2022.
- So: that was the reason the card didn't work in the retailer in July 2023.
- She accepted Mr S could've been told that when he complained. But SBI had focused on why the PIN wasn't working in July 2023.

SBI accepted the investigator's findings, but Mr S didn't - and he asked that an ombudsman look at this complaint, and so it has come to me to do that.

I made a provisional decision which upheld Mr S' complaint – it said:

The crux of this complaint is:

- What happened in July 2023, when Mr S tried to make a purchase at the retailer.
- What SBI did to investigate and resolve his complaint.

July 2023 – debit card payment declined:

- In their further submissions to us, SBI said the card transaction failed because the PIN number / debit card hadn't been validated after a new card was sent to Mr S in July 2022. They provided evidence to confirm that.
- They showed us the letters that were sent to Mr S in July 2022 – with the new debit card. The first letter said: *"Here's your contactless...debit card...Get your PIN...call XXX to request your PIN...Once you have your PIN, you must use your debit card at a UK ATM first before you can make payments for goods and services..."*
- A second letter was then sent to Mr S advising his PIN number. This again said: *"You must first use your card...at an ATM machine before you can use it to make payment for goods and services"*.
- I can see from Mr S's bank statement - that he had not used his debit card since at least March 2022. So, the reason the card was declined was because he hadn't validated it at an ATM in the time since it was issued in July 2022.

SBI's investigation:

I looked at what SBI did to try to resolve Mr S' complaint and when he contacted them. There are several internal emails evidenced which shows they weren't sure about why the issue had arisen. And in the calls with Mr S, (recorded in his customer notes) they didn't advise him of the reason either.

And – when SBI sent their final response in August 2023, I think its fair to say that it didn't explain what had happened and why. It said *"Debit Card is active, and the last PIN changed transaction happened on 3rd August 2023. There were no records for the incorrect PIN on your card number ending with XXXX..... I am sorry you have experienced below the standard customer service. Your feedback is valued and has been shared with the relevant branches."*

It was only when SBI sent to us the further information (following our investigator's first view) – that the true reasons for the decline came to light.

I think it would've been reasonable for SBI to have carried out a proper investigation when Mr S first reported the problem, advise him of the reasons and put that in the final response.

That would then have provided Mr S with the information he needed and would likely have satisfied him. But unfortunately, SBI didn't do that. So - Mr S was left feeling frustrated and concerned that he couldn't use his debit card in a retailer again.

Therefore, I think it's reasonable that SBI pay some compensation for this. I've thought about the impact on Mr S – and as he hadn't used his debit card for a long time before July 2023 – it doesn't look as if he relied on it very much. But, equally, I can quite see the concern this must have caused him, and he could reasonably have expected SBI to have properly researched the cause of the problem and resolved it at a much earlier stage.

Our criterion for deciding awards sets out what is appropriate for what happened here. This was a number of small errors, which had a mild impact over a few weeks. And for that, I think compensation of £100 is reasonable here, and is in line with what we would expect to see.

Responses to the provisional decision:

SBI agreed. Mr S said he's had further problems with his debit card in December 2023. He said his frustrations with SBI continued.

I now need to consider these comments and make 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.

While I hear what Mr S says – these comments aren't related to the complaint he referred to us, and therefore I can't consider them. It's only fair that he contacts SBI to see if they can help him first – so he must do that.

As regards the complaint I've looked at, as there are no material comments from Mr S and SBI agreed with the provisional decision, my final decision is unchanged from it.

My final decision

I uphold this complaint. And State Bank Of India (UK) Limited must:

- Pay compensation of £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2024.

Martin Lord
Ombudsman