

The complaint

Mr W is unhappy that Zopa Bank Limited couldn't locate a balance transfer made into his account and with the service he received surrounding this.

What happened

To briefly summarise: Mr W arranged a balance transfer into his Zopa account which would have cleared the balance of the account. But the balance transfer was never received into Mr W's Zopa account. And when Mr W asked Zopa to locate his money he wasn't satisfied with the service he received from them.

Mr W refused to make any minimum payments towards his account while his money was missing as he felt that he'd already arranged a payment – the balance transfer – which should have reduced his account balance to zero. But because the balance transfer hadn't been received by Zopa, they considered that Mr W's account did have an active balance which contractually required at least a minimum monthly payment. And when Mr W didn't make a minimum monthly payment for four months, Zopa revoked Mr W's credit card so that he couldn't use that card moving forwards. Mr W wasn't happy about this, or with the service he'd received from Zopa surrounding the balance transfer, so he raised a complaint.

Zopa responded to Mr W and said they didn't feel they'd done anything wrong regarding the balance transfer that they hadn't received and noted that they'd explained to Mr W that he would need to make minimum monthly payments to his account while they undertook a search for that balance transfer. However, Zopa agreed to remove the late payment markers from Mr W's credit file for the months that Mr W hadn't made a minimum payment and reimbursed interest and charges totalling £46.29 that had been applied to his account. Mr W wasn't satisfied with Zopa's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They noted that the reason the balance transfer hadn't been received by Zopa was because it hadn't adhered to the sending bank's requirements and so hadn't been Zopa's fault. As such, they didn't feel Zopa should fairly be asked to do anything more regarding that aspect of Mr W's complaint. But they did feel that Zopa should have notified Mr W that they were revoking his credit card – which Zopa hadn't done – and so recommended that Zopa pay £50 compensation to Mr W because of this.

Zopa accepted the recommendation put forward by our investigator, but Mr W did not. Because of this, the matter was escalated 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'm satisfied that the reason the balance transfer wasn't received by Zopa was most likely because Mr W arranged for the balance transfer to be sent from a third-party bank account in the name of his wife, and because the sending bank (Mr W's wife's bank) doesn't permit balance transfers to be sent to accounts that aren't in the name of their

account holder. In short, this means that Mr W's wife could only make a valid balance transfer to an account in her name.

Ultimately, it was Mr W's and his wife's responsibilities to have been aware of the restrictions of Mr W's wife's account, including that the balance transfer they were attempting to arrange to Mr W's Zopa account wouldn't be permitted. And while I appreciate that Mr W has been both inconvenienced and frustrated by trying to understand why the balance transfer that he arranged to his Zopa account wasn't received by Zopa, I don't feel that Zopa should fairly bear any responsibility for that inconvenience and frustration. This is because Zopa wouldn't have been aware – and shouldn't reasonably have been aware – of the balance transfer restrictions impinging on Mr W's wife's account with the other bank.

Moving to the fact that Zopa required Mr W to make minimum monthly payments towards his account, which Mr W didn't do, Mr W has asked why he would make monthly payments when he'd already arranged a balance transfer to clear the balance of his Zopa account.

But it be acknowledged by Mr W that, ultimately, he hadn't arranged a balance transfer to clear the balance of his Zopa account. And this is because Mr W's attempt to arrange a balance transfer had failed – because as explained, the terms of the account from which he attempted to arrange a balance transfer didn't permit a balance transfer to his account.

It therefore seems very generous to me that Zopa have agreed to remove the late payment markers from Mr Z's credit file for the months that he refused to make minimum monthly payments that he validly and contractually owed. This is especially the case given that it's clear and apparent that Zopa explained to Mr W that he did need to keep making monthly minimum payments towards his account. And I also feel that Zopa's reimbursement of interest and charges totalling £46.29 is similarly generous, and so I won't be instructing Zopa to do anything more in this regard.

Finally, Zopa have agreed to pay £50 to Mr W as compensation for not notifying him that they were revoking his credit card when he didn't make any minimum monthly payments towards his account for four months. Given that Zopa had told Mr W that he did need to keep making minimum monthly payments towards his account – which to reiterate, Mr W was contractually required to do, given that he'd failed to arrange a valid balance transfer – this also feels generous to me. But as Zopa have agreed to make this £50 payment as a gesture of goodwill to Mr W, I accept this payment also.

Unfortunately, this means that I must uphold this complaint against Zopa, to formally instruct them to make the £50 payment to Mr W that they've already agreed to pay. But I confirm that I don't feel that Zopa have done much wrong here, as I hope I've explained clearly above, given that no valid balance transfer had been made to them.

Putting things right

Zopa must make a payment of £50 to Mr W.

My final decision

My final decision is that I uphold this complaint against Zopa Bank Limited on the basis explained above.

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

Paul Cooper
Ombudsman