

The complaint

H, a charity, complains about the length of time it took Bank of Ireland (UK) Plc to make salary payments to its staff.

What happened

H had a bulk payment arrangement with Bank of Ireland, under which Bank of Ireland took a single monthly payment from H's account and used it to pay H's staff's salaries. In August 2023 Bank of Ireland took the payment as usual, but due to a system outage, it was unable to make the payments to H's staff that day (a Thursday). The salaries were eventually paid the following Monday, after the system issues were resolved.

Between the Thursday and the Monday Bank of Ireland gave H conflicting accounts of the cause of the problem. It gave H various timescales for payment of the salaries which it then missed. H's finance manager and CEO made numerous phone calls and sent numerous messages to Bank of Ireland in an attempt to resolve the issue. H has told us they were kept waiting on hold for long periods, and that bank staff were unable to answer their questions and didn't call them as promised.

Bank of Ireland apologised to H for the effect the outage had had. It credited H's account with £300 in recognition of the trouble and upset experienced. H didn't consider this to be enough to reflect the level of inconvenience and the amount of time it had spent trying to resolve the issue.

One of our investigators considered the complaint but thought that what Bank of Ireland had done to resolve the complaint was fair. So he didn't recommend that it did anything further.

H disagreed with the investigator's view, so the complaint's been passed to me.

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.

I'm not requiring Bank of Ireland to take any further action to resolve H's complaint. I'll explain why.

H is a charity, rather than a human being, and so it is not itself capable of suffering distress. But it can suffer from inconvenience. It's apparent from what H has told us that staff and officers of H did have to make quite a lot of effort to sort out the issue caused by Bank of Ireland's system outage. I can understand that H's finance manager and other staff would themselves have suffered personal inconvenience. But in this decision, I can only consider the inconvenience suffered by H.

H has commented that the compensation paid by Bank of Ireland wouldn't even cover the cost of lost staff time. I accept that H's staff will have had to spend some time that would otherwise have been spent on H's daily business to make calls and write messages about the problem. But in this sort of situation we consider the overall impact the bank's errors had on the complainant, rather than compensation based on staff salaries or an hourly rate.

Our guidance about inconvenience payments, which is available on our website, says that *"an award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation."*

H has commented that Bank of Ireland would have charged significant daily fees if it had gone overdrawn by an amount equivalent to the bulk payment that was debited. It says it seems unfair that Bank of Ireland doesn't have to pay compensation for the fact that it had H's money from the Thursday to the Monday.

But we don't have the power to fine or punish a financial business. In deciding what level of compensation is appropriate, I need to consider how H is worse off as a result of Bank of Ireland's error. The bulk payment was taken from H's account at the same time it would have been taken but for the error. I can understand Hs' frustration that the money took several days longer than it should have done to reach the intended recipients. But I can't say that H has lost interest on the amount debited, or an opportunity to do something else with the money that it would otherwise have had.

I've thought carefully about the level of compensation due for the inconvenience caused to H. Taking everything into account, I'm satisfied that the £300 that Bank of Ireland has already paid H is fair to compensate it for the inconvenience it experienced as a result of the delay in salary payments.

My final decision

My decision is that I don't uphold this complaint, as I consider what Bank of Ireland (UK) Plc has already done to resolve it to be fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 14 June 2024.

Juliet Collins
Ombudsman