

The complaint

Mr C complains about the unsuccessful transfer of his savings by Vanquis Bank Limited trading as Vanquis Savings, referred to as 'Vanquis'.

To put things right, Mr C would like a refund of interest lost and payment for distress and inconvenience caused.

What happened

On 20 July 2023, Mr C opened a one-year fixed rate bond account (referred to as 'the bond') offering a rate of 6.15% interest. During the application process his Barclays bank account was submitted as the nominated account.

At or around 4pm on 21 July 2023, Mr C sent Vanquis £20,000 to be paid into the bond, but he did so from his Lloyds bank account. I note Mr C maintains he sent the instructions at 3:04pm. The payment was in due course automatically rejected because the funds didn't come from the nominated bank account.

I note the payment wasn't processed until the next working day – on 24 July 2023 – because the cut-off point was 3pm and the payment was sent after this point so it couldn't be processed the same day.

Mr C says he only found out the payment was rejected after he called to enquire about the transfer on 24 July 2024, which is when he was also told about the reason. Vanquis says it notified Mr C that the money would be refunded the next working day.

Mr C says he thought that a nominated account was only needed for when the bond matured not in relation to the payment.

In summary, Mr C's unhappy about the following issues:

- Vanquis didn't mention on the application that the money had to come from a nominated account.
- It didn't call him to notify him that the money had been returned.
- It had a two working days timescale to return the money, which is unacceptable given that faster payments take two hours. He can't understand why this couldn't have been done.
- He lost four days of interest on the £20,000 at 6.15% along with time and cost of traveling (including the cost of parking) to and from the branch which is 10 miles each way.
- The whole experience has caused Mr C a lot of stress and he feels he should be compensated for this in addition to the loss of interest.

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

- Vanquis sent Mr C an automated letter confirming that his funds were being returned

as they weren't sent from a nominated bank account set up for payments and withdrawals.

- The letter also outlined alternative methods available to fund the bond which included BACS, CHAPS, and faster payment but from a nominated account only.
- Vanquis clearly explained during the account opening process that any payments to the bond had to come from the nominated account.
- The account application made clear the following:
 - *"Payments into your account: All payments into your account need to be: made within 30 days of us receiving your application and made from your nominated account"* – my emphasis.
- The same message is also stated in s.8 of the terms and conditions – under the heading 'paying money into your account'.
- Vanquis had acted in line with the relevant rules set out by the Financial Conduct Authority (the FCA). This includes Principle 6, which states:
 - *"A firm must pay due regard to the interests of its customers and treat them fairly"*.
- And Principle 7, which states:
 - *"A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading"*.
- Despite what Mr C says about the two days taken to return his money, it's not for our service to 'police' internal processes used by businesses, that's the role of the FCA.
- In the circumstances the investigator can't say that Vanquis has behaved unreasonably therefore he can't say that any compensation is due.

Mr C disagreed with the investigator's view and asked for an ombudsman's decision. He maintained that the information regarding the nominated account wasn't clear.

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

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 C says, I'm unable to safely say that Vanquis behaved unreasonably. In other words, I'm satisfied that Vanquis made reasonably clear the need for a nominated bank account during the transfer process which Mr C didn't comply with – despite initially naming Barclays bank account as the nominated bank account.

Before I explain why this is the case, I think it's important for me to note I very much recognise Mr C's strength of feeling about this matter. He has provided 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 by the parties under a separate subject heading, it's not what I'm required to do in order to reach a decision in this

case. My role is to consider the evidence presented by Mr C, and Vanquis, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case. I don't need any further evidence to make my decision.

I don't uphold this complaint, in summary, for the following reasons:

- I'm satisfied that the key information regarding what was required for a successful transfer and subsequent investment was made reasonably clear by Vanquis.
- In the circumstances, and on balance, I'm satisfied that Vanquis behaved reasonably within the relevant terms and conditions, as well as the relevant FCA principles, in this instance 'Principle 6' and 'Principle 7'.
- I'm satisfied that the information provided – regarding the application process and the key terms and conditions were clear, fair, and not misleading and that Mr C was treated fairly by Vanquis.
- I'm mindful that Mr C was sent an automated letter notifying him that the money had been rejected. It's unlikely that this correspondence wouldn't have been sent, but it's possible that it was missed/ignored by Mr C. In the circumstances, I can't blame Vanquis for this.
- In the circumstances, and on balance, I don't think Vanquis was required to telephone Mr C to notify him that his transfer had been rejected, therefore it hasn't done anything wrong by not doing so.
- On balance, I think Mr C knew, or ought reasonably to have known, what was required in terms of a nominated account – which is why it's likely that he initially nominated Barclays. So, I don't think Vanquis has done anything wrong by (automatically) rejecting the payment because it didn't come from the nominated bank account.
- I appreciate Mr C assumed that the nominated bank account was in relation to when the investment matured. But this is not what the instructions said, so I can't hold Vanquis responsible for his incorrect assumptions.
- Put another way, Mr C failing to use a nominated bank account is not something I can blame Vanquis for. Therefore, I can't say that Vanquis is responsible for any financial losses claimed by him because I can't say that it has done anything wrong.
- I note that Mr C is also unhappy about the two working day timeframe (used to refund his money) – in this instance I note the money was returned the next working day. In the circumstances, and on balance, I can't say it's an unreasonable timeframe and Vanquis successfully refunded Mr C's money well within that timeframe.
- Put differently, I'm aware that the money in question was returned to the source account within this time, which is reasonable.
- It's also arguable that this issue is a matter for Vanquis to decide, in the reasonable exercise of its legitimate commercial judgement. In other words, as long as it doesn't behave unreasonably – which I don't believe it has in this instance – it is a matter for Vanquis how it runs its affairs. It's not something that I can comment upon.
- This doesn't prevent Vanquis from completing the refund of funds sooner if it is able to do so.

I appreciate that Mr C 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 uphold this complaint and give him what he wants.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 July 2024.

Dara Islam
Ombudsman