

## **The complaint**

Mr P is complaining about Sainsbury's Bank Plc because of a number of issues experienced with his credit card account. He summarised the issues as follows:

- He was locked out of the online banking facility.
- He couldn't make payments using the automated telephone service.
- Lines disconnected on several occasions after being told his call was being diverted to an agent.
- Sainsbury's caused excessive confusion regarding the documentation required to verify his ID and the information he was told to provide over the phone differed from that on the website.
- He was unable to use the card despite having available credit.
- The security process was overly burdensome and punitive, meaning he was failed on just one incorrect question. This is different to his experience with other banks.
- A new security code was sent to the wrong address.
- Despite personal reassurances from the complaints team that his account had been unblocked, he was still unable to use the card, which caused embarrassment when purchases were declined.

## **What happened**

Mr P opened a credit card account with Sainsbury's in 2022. In November 2023, he was locked out of the online banking facility after a number of unsuccessful attempts to login where incorrect security details were provided. He was unable to reset access because his email address Sainsbury's had for him was out of date. The card was then blocked in December 2023 after a letter sent to Mr P's home address was returned undelivered because he'd moved.

The card remained blocked until April 2024 after Mr P had provided appropriate documentation to verify his identity.

Sainsbury's admitted Mr P had experienced a number of service failings, including:

- confusion caused because the list of acceptable proofs of ID listed on its website is different to what it was asking Mr P to provide. It said this is because the website quotes a generic list not designed for situations where additional documentation is required, including where a customer has failed security with a change of address requirement;
- its agent made mistakes when trying to take Mr P through its security process on the telephone; and
- after receiving the required documents from Mr P, it sent a secure code to the wrong address.

To compensate Mr P for his distress and inconvenience, Sainsbury's offered compensation of £150. And because its errors caused a further delay after the correct ID documents were provided, it also refunded the interest charge for April 2024 as a gesture of goodwill.

Our investigator recommend the complaint be upheld. He felt the compensation offered was inadequate and recommended Sainsbury's increase this to £250.

Neither party accepted the investigator's assessment. Sainsbury's felt it had already offered appropriate compensation. Mr P doesn't think £250 adequately compensates him and particularly referred to the time and effort spent regaining access to his account and the fact his details were sent to an unknown third party.

The complaint has now been referred 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I understand the problems began because Mr P wasn't able to provide the correct login details when trying to access the account online and hadn't updated Sainsbury's with his correct home and email addresses. In circumstances, I think Sainsbury's was entitled to take reasonable steps to secure the account against any potential fraudulent activity. This would include restricting online access and blocking the card. I appreciate Mr P may have felt the documentation requested to regain access to his account was excessive but it was ultimately for Sainsbury's to decide on its own security and verification procedures and I don't thin the information it asked for was unreasonable in the circumstances.

I appreciate Mr P was unable to use his card or access his account online for some time. But the records provided indicate this was because he didn't provide the information originally requested in November/December 2023 until April this year. If this had been done sooner, I've no reason to believe account access wouldn't have been restored sooner. Once the required information was provided, full access to the account and card were restored, albeit that didn't go smoothly with a delay due to a security code being sent to the wrong address and an oversight that meant the card wasn't fully unblocked before Mr P tried to use it again.

There's no dispute that Sainsbury's made errors and the issue I need to decide is how it should put things right. In reaching a decision on this point, I've taken the following points into account:

- While he couldn't use his card, Mr P was still able to make payments to the account. A direct debit was in place to make the minimum monthly payment and he was able to make a repayment manually in December 2023 after the direct debit was returned unpaid. Around the same time, I understand Sainsbury's also gave him the correct account number and sort code so he could make further payments by bank transfer.
- While Sainsbury's made an error in sending a security code to the wrong address,

there's nothing to indicate Mr P's account was compromised as a result. While I fully understand his concerns about what happened, we're not the regulator and I don't have the power to fine or punish Sainsbury's for its mistake or require it to change its procedures. Issues involving data security are instead overseen by the Information Commissioner's Office.

- We don't normally compensate clients directly for the normal costs associated with pursuing a complaint, including time spent and telephone calls.

This notwithstanding, I don't doubt that the circumstances described would have caused Mr P some distress and inconvenience and I think he should be compensated for that. Further, I don't think the amount of £150 previously offered by Sainsbury's is sufficient. It's for this reason that I'm upholding this complaint.

### **Putting things right**

The amount to award a consumer for distress and inconvenience can be difficult to assess as the same set of circumstances can impact different people in different ways. But on balance, I think the amount of £250 proposed by the investigator is fair and reasonable and consistent with what we tend to award in this type of case. To be clear, this amount is in addition to the interest it has already refunded

I realise this outcome will be disappointing for Mr P as he believes further compensation is due, but I'm satisfied it represents a fair and reasonable settlement of this complaint.

### **My final decision**

My final decision is that I uphold this complaint. Subject to his acceptance, Sainsbury's Bank Plc should now pay Mr P compensation of £250.

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

James Biles  
**Ombudsman**