

## **The complaint**

Mr D complains Zopa Bank Limited trading as Zopa (Zopa) provided him with poor customer service when its app failed, meaning he was unable to transfer funds into a new Individual Savings Account (ISA).

## **What happened**

Mr D says he opened an app-based savings account with Zopa in late March 2024, in readiness to transfer £20,000 into an ISA with them in time for the new tax year. Mr D says he encountered issues with the app, initially not showing his savings accounts and then not allowing him to transfer funds directly into his ISA. Mr D says he made several lengthy phone calls to Zopa over these issues and despite promises to call him back and rectify the problem he never heard back from Zopa.

Mr D says apart from the poor service and inconvenience he has suffered, he also lost interest on the funds he intended to transfer and Zopa's staff didn't seem to understand how interest is calculated or how to rectify the app issues.

Mr D wants a higher level of compensation than that offered by Zopa for the trouble and upset this matter has caused.

Zopa have accepted some of its customers had issues with its app and it had failed to return Mr D's calls as it had promised. Zopa also accepted it could have explained to Mr D sooner than it did regarding his concerns over any tax implications when transferring funds into his ISA via a savings account. Zopa says Mr D did have access to his accounts via the app shortly after his complaint and felt its offer of compensation of £100 for the trouble and upset caused was fair.

Mr D wasn't happy with Zopa's response and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint. The investigator says Zopa failed to call back Mr D on more than one occasion and even when the app showed Mr D's accounts, there were still issues to allow him to transfer the funds directly to his ISA. The investigator pointed out it wasn't until Zopa sent its final response letter in mid to late April 2024, was Mr D finally advised about the tax implications of transferring funds to his ISA via a savings account.

The investigator felt Mr D had suffered inconvenience and financial loss and asked Zopa to increase its offer of compensation from £100 to £200.

Zopa didn't agree with the investigator's view and asked for the matter to be referred 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 will also be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr D not to receive any of the returned calls he was promised from Zopa, regarding the issues he had about its app and his need to transfer funds into an ISA in good time.

When looking at this complaint I will consider if Zopa fairly compensated Mr D for the issues he faced when trying to set up his ISA transfer and access its app.

The first thing to say here is that Zopa accepted some of its customers experienced issues with its app and here Mr D wasn't initially able to view his accounts which meant he was unable to transfer funds into his ISA. Zopa have also accepted it failed to call Mr D back after he had complained as it had promised on more than one occasion. Additionally, Zopa have accepted it could have explained to Mr D much sooner than it did, that there was no tax implications by Mr D transferring funds to his ISA via a savings account.

Zopa feel that while there were some issues, Mr D was able to view his accounts via the app shortly after his initial complaint in late March 2023, and its offer of compensation of £100 was fair in the circumstances.

While I understand the points Zopa makes here, I'm not fully persuaded by its argument. I say this as after listening to a number of call recordings provided to this service, it's clear Mr D was asking for the issue to be resolved regarding him being able to transfer funds into his ISA and not just for the problem to be escalated to a complaint, which would add further time. Furthermore, Mr D in those phone calls explained the urgency needed and was promised more than once he would be contacted, but never was.

While it may be the case Mr D could access his app to view the accounts it's also worth mentioning he called Zopa on 8 April 2024 with concerns about transferring funds into his ISA via an interest-bearing savings account, which he felt might have tax implications. While Zopa may not agree this concern which was an important issue for Mr D, wasn't clarified in that phone call and from the information I have seen it wasn't fully explained until Zopa issued its final response letter on 18 April 2024.

It seems here Zopa focussed on its process of complaint issues, rather than explaining to Mr D if there were any tax implications to put his mind at rest, and I'm satisfied that in all likelihood this delayed the transfer of any funds into the ISA that Mr D wanted to make at that time.

With that in mind I feel Zopa have caused unnecessary inconvenience to Mr D here and didn't provide the level of service it should have in these circumstances and like the investigator I feel £200 is a more appropriate level of compensation here.

While Zopa will be disappointed with my decision, I am satisfied this is a fair outcome here.

### **Putting things right**

I instruct Zopa Bank Limited to pay Mr D a total of £200 in compensation (less any compensation it may have already paid) for the trouble and upset caused.

### **My final decision**

My final decision is that I uphold this complaint.

I instruct Zopa Bank Limited to pay Mr D a total of £200 in compensation (less any compensation it may have already paid) for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 September 2024.

Barry White  
**Ombudsman**