

The complaint

Mr T complains about The Chorley and District Building Society (Chorley) after they declined an application for an account he applied for. He is also unhappy that they did not receive two messages that he subsequently sent to them.

What happened

In October 2023, Mr T applied online for a savings account with Chorley which was accepted so Mr T contacted them to check details of where he should send his opening deposit of £1. Chorley confirmed the details and Mr T remitted the funds. The same day, after manual checks had been conducted by Chorley, they declined the application as it did not meet two account criteria. The first was that Mr T had to live in the Northwest region of England which he did not, and the second was that Mr T had to hold an existing savings or mortgage account with Chorley which again, he did not. Mr T was informed and the funds returned to him.

Mr T then sent two messages to Chorley via their secure message system which Chorley didn't receive. Feeling unhappy with what happened, Mr T complained to Chorley.

Chorley investigated Mr T's complaint but didn't uphold it. They said that Mr T answered 'yes' to both of the eligibility questions and whilst their system did not initially decline Mr T's application, their manual checks did prompt the decline which they processed the same day. They acknowledged that the staff member to whom Mr T spoke about the initial deposit did confirm the account was open, but that person was unaware at that time that the account was in the process of being declined. In terms of the secure messages, Chorley said they could not locate them, despite referring to their IT department. They could not give clarity as to why the messages were not delivered but did say other messages Mr T sent using the same system were successful plus, the reason may be linked to a technical issue outside of the building society.

Unhappy with this, Mr T brought the complaint to our service explaining that whilst he acknowledged Chorley's apology, he felt it did not adequately recompense for the issues raised, and went on to say that £200 compensation would be an appropriate amount for Chorley to offer.

Our investigator looked into Mr T's complaint and based on what they reviewed, they said they would not be asking Chorley to do anymore. They went on to say they were satisfied Mr T was not eligible to open the account and therefore, Chorley were correct in declining Mr T's application. And because in Mr T's phone call to Chorley when they said he could pay into the account, they were using the information they had at that time, and were unaware of the impending decline. Finally, in terms of Chorley's non-receipt of the secure messages, our investigator said that Chorley didn't do anything wrong here. They attempted to locate them

but in the absence of any reported IT issues, the reason could have been one of several technical issues.

Mr T remained dissatisfied and requested an ombudsman review his complaint.

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 have looked at the information Chorley has supplied to see if it has acted within its terms and conditions, and to see if it has treated Mr T fairly. My role is to consider all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, and while I recognise this will come as a disappointment to Mr T, I have decided not to uphold the complaint for broadly the same reasons as the investigator.

One aspect that I regard as very significant in this complaint, and indeed the root cause is the information that Mr T supplied when he applied for the account. I'm satisfied that Mr T would have been presented with the eligibility criteria online for the account and despite this, did answer positively to the two criteria in question i.e. that he lived in the required area and that he was an existing account holder. Therefore I cannot find that Chorley made an error in this regard.

Chorley and other financial institutions are entitled to decide what their eligibility criteria is for the accounts they offer, and they rely on those applying to read and acknowledge that criteria, along with the terms and conditions, to ensure applicants are making the best-informed decisions.

In his communication to our investigator after they issued their view, the main reason Mr T disagreed was around the telephone conversation he had with the Chorley staff member in which he checked his account details. Mr T says that despite the staff member seeing Mr T's address as part of their security process, he was informed that all was well with the account. Mr T went on to say that the adviser could have liaised with the back office in the call and stated to him that he was not eligible as he did not live in the Northwest. I do acknowledge this point however, the staff member was using Mr T's address solely for security purposes and as stated, could not have known within the call that manual checks were being conducted. Besides, as Chorley informed Mr T the same day about the decline, I can't reasonably agree that this telephone experience warrants any recompense.

In terms of the two messages that Mr T sent which Chorley did not receive, it's frustrating that Chorley have not been able to give a definitive answer as to why this was the case. In view of Chorley's efforts to locate them, including referral to their IT team, the fact that other similar messages were successfully received, and how technical issues cannot be ruled out, I cannot hold Chorley responsible for the non-receipt of these messages.

Moving on to the subject of compensation, I know Mr T feels that £200 is an appropriate sum for his inconvenience and time. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome but to be expected. It's the impact of the errors made over and above that which we consider determining if an award of compensation is merited, and if so, how much.

Within my considerations, I'm acknowledging that I've not seen any evidence that Chorley made any errors, or that Mr T has suffered financially and, there's been no material losses.

Looking at correspondence from Mr T, I know he will be disappointed with my decision but it's vital that I look at the complaint through the lenses of fairness and reasonability. In conclusion, I cannot fairly require Chorley to do anything further.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 September 2024.

Chris Blamires
Ombudsman