

The complaint

Ms N complains that Charter Court Financial Services Limited trading as Charter Savings Bank's account terms and conditions didn't make it clear that there would be contact by post and didn't provide her with the service it should have when she contacted it about this.

What happened

In August 2023, Ms N applied for an online fixed term bond with Charter Savings Bank. She was told the password would be sent by post which she wasn't happy with as she didn't want to receive any post. She contacted the customer services and was told the information about this was in the account terms and conditions. Ms N said that as the account terms and conditions were for both online and non-online accounts it wasn't clear that an online account would involve any correspondence by post. She asked that her account be stopped before opening and her data erased. Ms N says the customer service agent raised a complaint on her behalf and she received a further letter by post. She contacted Charter Savings Bank asking again for her personal data to be removed. She says she was then told that had she not raised the complaint her data would have been erased. But as a complaint had been raised her data would be retained. Ms N said that she wouldn't have raised a complaint had she known this would result in her personal data being held by Charter Savings Bank.

Charter Savings Bank said that Ms N contacted its customer services team on the same day she applied for a fixed rate bond because she was unhappy about receiving postal correspondence. It noted she asked for her application to be stopped and her personal data erased and a complaint was raised. Charter Savings Bank said it had to raise a complaint when this had been requested by a customer. It said that Ms N had been provided with the information about Charter Savings Bank's requirement to retain personal data. It said that when Ms N applied for the fixed rate bond, she was provided with the information about the personal data it holds and that Ms N must have ticked the box saying she had read this in order for the application to proceed. While it didn't uphold Ms N's complaint about the retention of her personal data it apologised that a letter was issued to her registered address when she had previously requested this not to happen.

Following Ms N referring her complaint to this service, Charter Savings Bank offered to pay her £100 compensation for the upset caused by postal correspondence being sent when it shouldn't have been. Our investigator thought this was fair. She noted that Ms N believed that had she not raised a complaint all her personal data would have been erased but she said this wasn't correct. She said the privacy policy provided when Ms N made her application set out the standard retention policy of seven years. She noted that the regulation of data protection rules is covered by the Information Commissioner's Office (ICO) and that it was its role to determine if data protection rules had been breached. Our role is to consider if a customer has been treated fairly and if any mistakes have been made. In this case she thought the £100 compensation offered by Charter Savings Bank was a fair resolution.

Ms N didn't accept the offer made by Charter Savings Bank or our investigator's view. She said she wasn't seeking compensation but protection from potential hackers by trying to limit

the personal data held about her. She didn't think it was right that personal data was being held on a system for a business that she didn't have an account with. She said this issue was affecting her mental health and that had she known about the data being retained she wouldn't have applied for the bond.

Ms N then raised concerns about the data that this service had access to and would retain.

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 can see this issue has caused Ms N distress and inconvenience and I am sorry to hear of the effect it is having on her mental health. Ms N's initial complaint arose as she applied for an online fixed bond but hadn't realised that she would be sent a Strong Customer Activation (SCA) code by post. While I understand that Ms N thought that as she had applied for an online account there would be no postal correspondence, I cannot say that Charter Savings Bank was wrong to have the SCA sent by post as part of its security processes for opening the account.

Ms N has said she wasn't aware that any correspondence would be by post but Charter Savings Bank has provided a copy of its account terms and conditions which were available to Ms N and to which she agreed to as part of her online application. These state in the section about contacting a customer that it may contact by post. So, I find that Ms N was provided with the information she needed to be aware of as part of the application process that certain contact regarding the account could be made by post.

When Ms N realised that she would receive the SCA by post she called Charter Savings Bank and asked for her application to be stopped. The customer service agent said that they would try to stop the SCA letter being sent, would raise a right to erasure request and logged a complaint due to the dissatisfaction Ms N had expressed. I find that this was reasonable, and I understand that the SCA letter was stopped.

Ms N called Charter Savings Bank later that day as she had received an email about the account. It was confirmed that her account had been cancelled but that the right to erasure request hadn't been processed. At this point, Charter Savings Bank has said that it should have made it clear to Ms N that her request for erasure would be reviewed and responded to within 15 days and not that her data would be removed. I agree that better service could have been provided at this time, and that this was especially important given how concerned Ms N was about this issue.

Ms N was then sent a letter that said Charter Savings Bank couldn't agree to her request for her personal data to be erased and provided its reasons. It sent a copy of its Privacy Notice setting out how data was used. Unfortunately, this was sent by post even though Ms N had made it clear she didn't want to receive anything by post. I do not find that this was the service Ms N should have been provided with and Charter Savings Bank has acknowledged this. I appreciate that Ms N believes that had she not raised a complaint then her data would have been erased but this wasn't the case. Charter Savings Bank has explained that it is required to hold complaint data for three years but that the personal data held on Ms N was subject to its general retention policy of up to seven years that was set out in the Privacy Notice.

I appreciate that Ms N is upset that her data is being held even though she doesn't have an account with Charter Savings Bank. As our investigator has explained our role isn't to decide whether there has been a breach of data protection rules, that is for the ICO to determine,

but instead to see what has happened and whether the customer has been treated fairly. In this case, Ms N was provided a copy of the Privacy Notice as part of her online application and she had to confirm she had read this. This provides details of the data retention policy and provides details of how personal data can be used. As Ms N applied after having been provided with this information, I cannot say that Charter Savings Bank is wrong to rely on this in regard to Ms N's data and I do not find I can say it has treated her unfairly.

Taking everything into account, while I understand why Ms N is upset that her personal data is being held, I find that Charter Savings Bank has provided her with its reasons for this. If Ms N is concerned that data protection rules have been breached, then she should raise this with the ICO. I understand that Ms N's concerns aren't about compensation but having considered the service issues that have been identified I find that the actions taken in regard to feedback along with the offer of £100 compensation is a reasonable remedy.

Ms N has also raised concerns about the data accessed by this service as part of the complaint investigation. I appreciate she feels that her concerns about data retention have now been increased as another organisation (the Financial Ombudsman Service) has been given access to her personal data. This has been addressed separately in the service complaints that have been raised and an explanation has been provided about our privacy policy.

In conclusion, I find that the offer made by Charter Savings Bank to pay Ms N £100 compensation for the service issues she is a reasonable resolution to this complaint.

My final decision

My final decision is that Charter Court Financial Services Limited trading as Charter Savings Bank, should, as it has offered, pay Ms N £100 for the upset she has been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 18 November 2024.

Jane Archer
Ombudsman