

The complaint

Mr and Mrs B complain about how CB Payments Ltd trading as Coinbase (CB) treated them when they attempted to transfer funds from a bank account. Mr B says this caused frustration and had a significant impact on the reason for the transfer. For ease of reading, I will only refer to Mr B.

What happened

In September 2023, Mr B attempted to deposit two payments of £10,000 with CB but both were rejected by CB in line with their procedures. One payment was successfully returned to the originating account but the other was not, which resulted in those funds being rejected and sent back to CB. Mr B quickly raised a query about the funds so CB looked into it.

It was a banking partner of CB that actually received the funds so a manual return was instigated, but by a different banking partner of CB. Mr B then supplied proof to CB that the second transfer amount had not been reccredited, so CB commenced a new internal investigation.

Mr B chased CB several times, and logged a complaint, concerned about the funds and CB continued to look into it, raising further investigations until the funds were located and returned to Mr B in December.

CB also responded to Mr B's complaint saying they had already explained what had happened in the live chats they had with him, that the funds were swiftly returned soon after the attempted deposit, and they considered the matter closed.

Remaining unhappy, Mr B referred his complaint to our service. Our investigator made contact with CB and soon after, CB offered £100 in full and final settlement of the complaint saying it compensated Mr B for the period the funds were in transition. Mr B rejected CB's offer.

Our investigator then commenced a full investigation, liaising with Mr B and CB. CB then wrote to Mr B saying they had reviewed their communication with Mr B and said it was not up to their standards and accordingly, issued a £250 compensation payment.

Mr B responded and rejected the further offer, supplying substantial detail as to his poor experience with CB. Mr B also commented that his intention with the funds was to invest in a certain crypto currency. And as a result of being without the funds, he missed out on this investment, particularly as the price for the investment had risen since the error.

Our investigator then issued their view in which they said that CB had not acted fairly. They said that whilst CB did follow the correct process for returning the funds, they could have instigated their investigations earlier than they did. As a result, our investigator recommended that CB should pay a total compensation figure of £500, and pay interest at 8% from when the funds arrived back with CB's banking partner, to the date they were returned to Mr B.

CB responded and accepted our investigator's view and recommendations, but Mr B didn't. Mr B said that the investigator's proposed outcome did not reflect the loss of what he called a great investment opportunity, so asked for the complaint to be referred to an Ombudsman.

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 CB has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr B fairly. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

Mr B and CB have submitted substantial information about this complaint and I want to ensure I cover all of it, albeit acknowledging that our investigator provided a very thorough sequence of events. There appears to be two issues of significance, CB's delay in investigating the payment, and the consequences of that delay. And I will address both in my proceeding paragraphs

What's not in question here is that CB made a mistake, specifically failing to investigate the returned funds earlier than they did, which resulted in a poor experience for Mr B. I'm pleased to see that CB have eventually acknowledged this, and offered compensation. And I hope that CB will see what happened as a learning opportunity for them.

I appreciate Mr B says he missed out on an investment opportunity in crypto currency at that time. But there is nothing to definitively show he would have put the transferred funds towards the crypto assets he has mentioned. It's generally our service's approach to award 8% simple interest for the unfair deprivation of funds to compensate a complainant for any lost opportunity, rather than attempt to estimate profit or returns from an event that didn't occur. Consequently, it would not be fair to ask CB to do this.

Turning to compensation, I can fully understand how frustrated Mr B would have felt with CB, and I'm aware that our investigator has recommended a total figure of £500, along with simple interest. Taking into account all of the circumstances, and looking at those circumstances through the lenses of fairness and reasonability, I do believe this amount fairly represents the distress and inconvenience Mr B suffered whilst he was without the funds.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. I require CB Payments Ltd trading as Coinbase to pay Mr B £500 compensation, less any amounts already paid, plus apply 8% interest from when the funds arrived back with its banking partner, to the date they were returned to Mr B's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 12 November 2024.

Chris Blamires
Ombudsman