

The complaint

Mr B complains that London Community Credit Union Limited (LCCU) haven't refunded the £2 payment fee they agreed to refund.

What happened

Mr B contacted LCCU and asked them to close his account. The relevant forms were sent to Mr B and he completed and returned them.

The account was closed, and the remaining balance was returned to him, however £2 had been retained as a transfer fee.

Mr B complained and said the closure forms he completed didn't explain that a transfer fee would be charged. LCCU explained that the £2 deduction was a fee applied to all account transfers, in line with their terms and conditions. However, they agreed to refund the fee for Mr B.

Mr B provided the bank details that he wanted the £2 paid into, but LCCU didn't make the payment into that account.

Our investigator looked into the complaint and was of the opinion that LCCU should pay Mr B the £2 into the account details he'd provided. LCCU responded and said the £2 had been refunded, but not into the account given by Mr B. They asked for the account details again and said they would transfer the £2.

Our investigator provided the correct bank details, however never received any further response from LCCU. Mr B confirmed he never received the payment, and still maintains it hasn't been paid to date. Because of this the complaint was passed to me for a final decision.

In an attempt to resolve the complaint, I contacted LCCU directly and explained that in addition to the £2 refund, I believed they should also pay Mr B £50 compensation for the delays in them making the payment.

LCCU responded to me, quoting a different case reference. They explained the £2 was paid to Mr B on 31 July 2023 and that they had asked for details of the correct account.

I responded to LCCU setting out the correct case reference and provided the correct account details again. I asked if they would pay the £2 and £50 compensation to those bank details. Our service also updated Mr B and let him know that the outcome was now for LCCU to pay him the £2, along with £50 compensation.

I didn't receive a response from LCCU and so tried to call them on a number of occasions. There was no answer and so I have decided to issue a final decision against them.

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, and after considering everything, I am persuaded that Mr B hasn't yet received the refund of the £2 from LCCU into the correct account. LCCU also haven't been forthcoming with any information regarding the payment being made into the right account.

Because of this, it's my decision that they should pay the £2 into the account for which the details have been provided multiple times by Mr B and our service.

In addition to this, LCCU should pay Mr B £50 compensation for the delay in making the payment.

My final decision

My final decision is that I uphold this complaint.

London Community Credit Union Limited should refund the £2 fee and award Mr B £50 in compensation for the inconvenience caused. They should pay a total of £52 into the account details provided by Mr B and our service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 November 2024.

Danielle Padden
Ombudsman