

The complaint

Miss J complains that Sainsbury's Bank Plc has treated her unfairly by not letting her access certain online services since her credit card account has been closed.

What happened

Miss J had a Sainsbury's credit card. From July 2023 she began exceeding her credit card limit which led to Sainsbury's deciding to close her account. It wrote to her on 23 November 2023 giving her two-months' notice of its intended actions. In the same letter, amongst other things, Sainsbury's told Miss J to make sure she made regular payments to pay off the outstanding balance. But the letter didn't explain that she would no longer be able to pay and/or access her statements via her online account. Sainsbury's did, however, note that it would be sending Miss J statements whilst she had an outstanding balance.

On 23 January 2024, Miss J's account was closed. This meant her credit card statements were no longer accessible online and she couldn't make payments via her online account. So, Miss J contacted Sainsbury's to question why she'd been denied access.

During the initial call with a Sainsbury's agent, they apologised to Miss J for not setting up the paper statement option. This had meant that she hadn't received a statement for February 2024. The agent noted that this should've happened automatically when Miss J's account was closed. The agent provided Miss J with alternative payment options including over the phone using a direct debit card or by bank transfer. But Miss J wanted to continue to use her online services so she complained. In particular, she said she wanted to see her statements online before making payment.

In its final response letter, Sainsbury's said its policy was that if an account was closed, online access for payments and statement purposes were no longer available. However, Sainsbury's said Miss J should have been sent a paper statement by post after the account was closed with the first being due in February 2024. And it had now rectified this so that Miss J would now receive paper statements. Nonetheless, for its mistake Sainsbury's offered Miss J £50 in compensation and waived any late payment fees and/or interest for two months. Miss J remained unhappy so she referred her complaint to our service.

In brief, our investigator thought Sainsbury's offer of £50 was fair and reasonable under all the circumstances.

Miss J disagreed with the investigator's view. Amongst other things, she said due to an ongoing illness, she was having to attend hospital regularly which meant she was not always able to access her post on time. So, she needed online access to her statements before making a payment.

Miss J asked for an ombudsman's decision. I issued a provisional decision on the matter upholding the complaint. My reasoning for this is set out below. Miss J did not respond. Sainsbury's accepted my provisional decision and added nothing further.

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 reconsidered everything, my decision remains the same as that set out in my provisional decision for the same reasons. These are as follows:

Miss J says she only found out about her account being closed when she tried to make a payment online in February 2024. But I can see that she was told this would be happening in a letter dated 23 November 2023. And this was in line with Sainsbury's credit card terms and conditions.

The letter Miss J was sent in November 2023, clearly gave her two-months' notice and also advised her that she would be receiving statements until the balance was cleared. Whilst I note Miss J has indicated she did not receive this letter, I can see it was correctly addressed. So, on balance, I think it was likely received at Miss J's address after it was sent in November 2023. Given this, I can't say that Sainsbury's has acted unfairly or unreasonably in terms of the account closure.

That said, Sainsbury's has offered Miss J £50 for its mistake in not sending her a statement in February 2024 when it should've done. But I don't think this level of compensation fairly and reasonably reflects the distress and inconvenience caused. I say this because I don't think the letter sent to Miss J in November 2023 informing her of the account closure was clear enough for her to understand that her online access would be restricted and she would need to pay another way. It also didn't make it clear that she would be receiving paper statements rather than the online statements she had up until her account had been closed, had access to.

So, in my view, I don't think the distress and inconvenience was caused solely by Sainsbury's failing to send Miss J a statement. I think the problem started when it failed to send her clear and fair information about what would happen to her online access.

I accept Sainsbury's has now provided Miss J with a full explanation of the issues with her online account and why these are now restricted. Sainsbury's has also explained to Miss J the alternative payment options she has and has arranged for her statements to be sent to her by post. I understand Miss J did subsequently make a payment over the phone using her debit card and didn't incur any late payment charges as a result of Sainsbury's mistake. Nonetheless, taking everything into account, I think for the distress and inconvenience caused by Sainsbury's, it should pay Miss J a further £50 to bring the total compensation to £100.

I know Miss J wants Sainsbury's to provide her with online access. In particular, she wants to be able to see her statements before making payments. But Sainsbury's has explained to Miss J that this isn't a service it can offer to someone who no longer has an active account. And I can see that Sainsbury's has arranged to send Miss J statements by post. It has also provided her with several payment options. So, I think it has acted fairly and reasonably in this regard.

I note Miss J's objections to making payment by bank transfer using the details provided to her by Sainsbury's. She says this is because her bank has advised her that it is not safe to

do so. From what I can see, Sainsbury's has provided reassurance to Miss J about this and suggested she try a small payment first if she is unsure about the account details. But I can see this has failed to reassure Miss J who still doesn't trust this payment method. Whilst I take on board Miss J's concerns, Sainsbury's has also offered other reasonable payment options and as noted above, she has used at least one of these to make her payments.

Finally, I've noted what Miss J has said about her hospital visits due to ill health. I'm sorry that she is currently going through a difficult time with this. However, from what she has said she is still able to access her post and I don't think it's unreasonable that the statements are being sent in this way. Miss J's account is closed and it's Sainsbury's policy that certain services are removed once this happens. And in this particular case, I can't fairly say that it would be right for me to interfere with Sainsbury's legitimate business decision to remove certain services when customers no longer have an active account with it.

For all the above reasons, I will ask Sainsbury's to pay Miss J a further £50 in compensation which it has agreed to do following my provisional decision.

My final decision

I uphold this complaint and I order Sainsbury's Bank Plc to pay Miss J a total of £100 for the distress and inconvenience it has caused. Sainsbury's Bank Plc should deduct anything it has already paid to Miss J to date in relation to this particular complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 10 December 2024.

Yolande Mcleod
Ombudsman