

The complaint

Mr A has complained on behalf of Mrs A about the poor service she received from Chip Financial Ltd.

What happened

Mrs A, who is an elderly lady, opened an online account with Chip. She found she could no longer access her funds from her tablet after an update to the Chip app.

Mr A contacted Chip on her behalf. It said it couldn't discuss Mrs A's account with him as he couldn't show he was authorised to handle her financial affairs. Mr A thought this was unfair as he had just wanted some general advice.

Mr A asked Chip to phone Mrs A. Chip said it didn't offer a phone line for customer support. It emailed Mrs A, using the email address she'd provided, with information about how to withdraw the funds in her account.

In the end Mrs A regained access to her account by deleting and reinstalling the Chip app. She also obtained a new tablet to ensure ongoing access to the account.

Mr A complained to Chip. He was also unhappy that Chip had updated the app without giving due warning to its customers. Chip apologised for the inconvenience and offered £20 compensation to Mrs A.

As Mr A didn't think this was sufficient, the complaint was referred to this service. Our Investigator didn't think Chip had acted unfairly. As Mr A didn't agree, the matter has been referred to me.

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 understand Mrs A's frustration when she could no longer use the Chip app on her tablet.

Chip has explained that its app is designed to be used on a mobile phone, so customers have to have a mobile phone number in order to open an account. The app often won't work as well on a tablet.

I've looked at Chip's terms and conditions. They explain that it's the customer's responsibility to make sure the app is suitable for them. They go on to say:

"20. Updates to the App and changes to the Service

20.1 From time to time we may automatically update the App and change the Service to improve performance, enhance functionality, reflect changes to the operating system or improve system security. Alternatively, we may ask you to update the App for these reasons.

20.2 If you choose not to install such updates or if you opt out of automatic updates you may not be able to continue using the App and the Service.”

I know Mr A feels strongly that Chip should be obliged to warn people when it's going to update an app. But I don't think Chip was required to contact account holders individually about the upgrade. I also think it was implicit that customers might not be able to continue to access the app if their device and/or operating system were incompatible with it.

I can also understand Mr A's frustration that no-one at Chip would discuss the issue with him in general terms without disclosing information about the account. Chip wouldn't do that unless Mr A could show that he was legally authorised to handle Mrs A's finances. A power of attorney would have been adequate authority but that had cost implications.

Businesses make commercial decisions about how the processes they need to put in place to comply with data protection and other legislation. It's not my role to tell a business what those processes should be. The evidence I've seen suggests Chip applies this policy across the board to all customers. Whilst I accept that the policy caused inconvenience in this case, I can't say that Chip has done anything wrong in applying that policy here.

It would have been helpful if Chip could have phoned Mrs A. But I don't think that it means it was at fault for not doing so. Chip offers an app-based product. Its terms and conditions make it clear that customers can contact it through the app, by emailing it at the address given in the terms and conditions or by writing to it at the address also set out there. It was following its usual processes for the contact with Mrs A. Though inconvenient for her, that doesn't necessarily mean Chip was doing anything wrong.

Chip has offered £20 compensation for the inconvenience. Calculating compensation in such situations isn't an exact science. Overall, taking into account the level of inconvenience in this case, the impact on Mrs A and the levels of compensation awarded by this service in complaints with similar circumstances, I think that was reasonable.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 30 January 2025.

Elizabeth Grant
Ombudsman