

The complaint

Mr W complains that Atom Bank PLC do not permit direct transfers between savings accounts held with it causing inconvenience and a potential breach of regulations.

What happened

Mr W holds two savings accounts with Atom Bank and wished to transfer funds from one account to another using its app. He couldn't do this because direct switches between savings accounts aren't possible using the app. Atom said it should be done by transferring the money through his connected account which Mr W successfully did. Mr W was unhappy at the functionality of the app. and raised a complaint.

Atom sent Mr W a final answer explaining that the app. was working as designed and so there'd been no error made. It thanked Mr W for his feedback but didn't uphold the complaint. Mr W was unhappy with this response and escalated his complaint to this service.

One of our investigators reviewed Mr W's complaint and concluded that Atom Bank hadn't done anything wrong and so didn't need to anything. In summary, they said Atom had complied with the terms and conditions set out for the savings accounts and allowed transfers between accounts albeit via the connected account. They didn't believe this represented a barrier to funds being transferred.

Mr W responded to our investigator's opinion saying that to assess fairness on whether terms and conditions have been adhered to is an incorrect test. He went on to say Atom's procedures breach the Financial Conduct Authority's Consumer Duty by leading to poor customer outcomes. He also said by having to use a connected account to move funds, it was clear Atom is putting a barrier in place. As Mr W wasn't happy with the investigator's opinion, he asked that his complaint was reviewed by an ombudsman and so it's been passed to me to decide.

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 know this will come as a disappointment to Mr W, but having considered all the evidence, I am not intending to uphold this complaint. I'd now like to clarify what this service is and isn't able to do before moving on to explain how I've reached my decision.

This service is not the regulator (that's the role of the Financial Conduct Authority) and so we don't have the power to make a business change its policies or procedures. My role is to independently and impartially decide what's fair and reasonable in all the circumstances of a complaint. Mr W has asked that we tell Atom to change the functionality of its app to make the type of transfer he wants to make possible. I don't have the power to do that. But I am going to consider whether Atom's process led to a fair outcome in Mr W's case.

In order to reach my decision, I've had due regard to the terms and conditions of the accounts Mr W holds with Atom, the relevant law and regulations (including Consumer Duty) and accepted banking practice. I'll now explain how I've arrived at my decision.

The terms and conditions state:

you can only make payments in and out of your Instant Saver Reward account via your connected account.

and

you can use the Atom App to make payments out of your Instant Saver Reward via your connected account at any time.

I think it's clear that whether the app or another method is used, funds can only be moved through the connected account and so I don't believe it's open to misinterpretation. Also, this information is on a one-page summary and so I don't believe Atom has "hidden" this requirement. So, I'm satisfied that Atom has done enough to make Mr W aware that this is what he would need to do to move his money in the way he wanted.

I now move on to Mr W's point that Atom's process for moving money is overly complex. He believes it presents a barrier to moving money leading to a poor outcome for customers contrary to Consumer Duty. I've considered this point carefully and whilst I understand the point Mr W makes, I don't think Atom's process here has led to a poor outcome for Mr W – even if he sees it very differently. That's because I don't consider the requirement to move money through the connected account to be disproportionate in respect of what Mr W's objective was. Mr W has ultimately been able to achieve what he wanted to do in a quick and timely way with no obvious detriment to him – beyond the minor inconvenience of having to move money to a separate account, before then moving it into the account he wanted to. So, I don't think Atom has acted unfairly or unreasonably.

For the reasons I've already given, I don't uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 March 2025.

Stephen Farmer
Ombudsman