

## **The complaint**

Mr M is unhappy with Chip Financial Ltd. After Chip updated its banking app Mr M was unable to access his account. Mr M accepts that the app gets updated but is unhappy that there was no warning prior to the update. It was immediate and gave no time or opportunity for Mr M to take action. No provisions were made for existing customers.

## **What happened**

Mr M said Chip updated its platform to discontinue its support for IOS 15. He said this in itself wasn't the problem. But what he did think was wrong was the way it was carried out. There were no arrangements put in place for existing customers that were currently using IOS 15. It was all just done suddenly and immediately. Mr M found he was blocked from proceeding when he tried to open the app.

Mr M's phone couldn't update the app as his phone wouldn't update beyond IOS 15. He wasn't choosing not to install the updates or opting out of automatic updates. Mr M said the sudden loss of account access was a major inconvenience and he was left needing to find an immediate resolution involving upgrading his mobile phone.

Mr M didn't like that Chip didn't accept it had made any error. He said the complete lack of notice and dismissing his complaint citing terms and conditions doesn't absolve it from failing to warn customers in advance regarding access to its app only platform. He said there were no other means of accessing the account.

Mr M said every other provider of bank accounts would have communicated in advance with sufficient warning if upcoming changes could impact on customers. He said Chip had acted incompetently with a lack of foresight and change management. Mr M maintained his main point was about the lack of notice provision.

Chip apologised for Mr M's experience. It referred to its terms and conditions section 20 which referred to automatic updates. Chip said Mr M had agreed to the terms and conditions. Chip maintained the update was to ensure compatibility with latest technology and to provide the best experience.

As a resolution couldn't be found Mr M brought his complaint to this service.

Our investigator didn't uphold the complaint. She noted Chip apologised for any inconvenience and it had pointed out the terms and conditions. These noted the app can be automatically updated. Our investigator accepted Mr M wasn't choosing to stop installing updates. She noted the problem for Mr M was purely due to technology restrictions on his phone. But she concluded Chip hadn't made any errors.

Mr M didn't accept this and asked for his complaint to be passed to an ombudsman for a final decision.

## 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.

Mr M has been clear all along that his real issue is the lack of prior warning for customers unable to update their banking apps. He wasn't able to log in and there was no other way for him to get access to his account and his money.

The terms and conditions Chip referred to said:

*"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."*

Chip also apologised for any distress and inconvenience caused.

I'm not sure why Chip have referred to 20.2 as that doesn't apply to Mr M, his phone isn't able to upgrade beyond IOS 15.

Eventually Chip did give Mr M a further option to allow him access to his money. It said he could provide:

*"A Photo of a government-issued photo ID (Passport, BRP, National Identity Card or UK Driving Licence (front and back) with all four corners showing).*

*A photo of yourself taken within the last 24 hours.*

*Additionally, please confirm the sort code and the last four digits of the connected bank account to which you would like the funds to be withdrawn.*

*Please note that we do not accept screenshots or scans."*

It also told this service "

*"We have shared feedback with our product team, emphasising that providing potentially affected customers with advance notice of updates that could restrict access to the Chip app would be a positive step for customer service. This approach could also help reduce recurring complaints of this nature."*

Although Mr M said he feels the terms and conditions aren't relevant I do think the term 20.1 noted above is. And it clearly states what action Chip can take. And even though I understand his point about prior notification being sensible there doesn't seem to be a requirement in the terms and conditions for Chip to need to do this for customers.

So, despite understanding the point Mr M is making I can't say that Chip acted unfairly or unreasonably when it updated the app. It was entitled to by its terms and Mr M had agreed to those terms. I don't think it made any errors here and it has taken on the feedback from Mr M.

Also, I do think it was helpful when Chip did make the further offer to Mr M to produce identification to gain access to his account. I think that was fair and reasonable. I think this was needed as Mr M was clear about how much inconvenience not being able to use the app had caused him. Mr M knows that Chip doesn't offer web browser, phone, or branch options so I think this was the only option it could have come up with.

### **My final decision**

I don't uphold this complaint.

I make no award against Chip Financial Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 April 2025.

John Quinlan  
**Ombudsman**