

## **The complaint**

Mrs F complains that AIB Group (UK) Plc (AIB) mistakenly sent a large payment to her daughter's account, instead of to her account with another bank. Mrs F said her daughter received £750 compensation from AIB and she felt a similar sum should be offered to her.

## **What happened**

On 2 September 2024 Mrs F's daughter instructed her AIB branch to pay c£40,000 by same day payment to Mrs F's account with another bank. Mrs F said this was one of three similar payment instructions to AIB that day and unlike her's the other two were completed.

Mrs F doesn't have online banking and was unaware the payment hadn't gone through. She said her daughter told her AIB called on 4 September 2024 to say the payment to her account with another bank had been returned and requested confirmation of her bank details. Mrs F's daughter and AIB disagreed as to the whereabouts of the payment.

When the payment hadn't arrived on 5 September Mrs F called her daughter who spoke to AIB the next day and was told it would be resolved the following Monday. On that day, AIB's branch manager called Mrs F's daughter that the payment had definitely gone to Mrs F's account, but it hadn't, and further communication ensued on 10 and 11 September. Mrs F said by 12 September she was very distressed the money had still not reached her account.

Mrs F went to her bank who said the fault lay with AIB, and then to AIB who said her bank had the money and AIB was trying to resolve the situation. When AIB was reminded that a double payment was sitting in Mrs F's daughter's account, the branch manager made some calls and said there had been a mix up and he would get the payment to Mrs F that day.

In her complaint to AIB, Mrs F said she suffered huge anxiety, distress and inconvenience over 10 days wondering what had happened to the payment and felt humiliated at her bank due to AIB's incompetence. She said AIB offered her daughter £750 compensation for her distress and inconvenience in trying to resolve the issue, but Mrs F hadn't received anything.

AIB responded that the payment was sent to Mrs F's daughter's account instead of Mrs F, but this was not its mistake. AIB said it had contacted our service about compensation and a sum was agreed for the distress caused to both Mrs F and her daughter.

Mrs F wasn't satisfied with AIB's response and referred her complaint to our service. Our investigator recommended it be upheld. He said AIB failed to promptly transfer the funds to Mrs F's account causing her inconvenience, distress and worry. And Mrs F had to visit the branch to resolve this despite physical disadvantages and a bereavement.

The investigator said compensation for Mrs F's daughter was in relation to her own separate complaint, so he hadn't considered it. He recommended AIB pay Mrs F £300 compensation for the distress and inconvenience caused by its error, as well as paying 8% simple interest between the 2 and 12 September 2024 when the funds were missing.

AIB disagreed that Mrs F's daughter's complaint is separate as it was about the same error and is relevant to the outcome of this case. AIB appreciated that each complaint should be

treated on its own merit but said the £750 compensation to Mrs F's daughter followed consultation with our service to address distress and inconvenience to all impacted parties, as was made clear in its final response letter to Mrs F's daughter.

### **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 was sorry to learn that what should have been a straightforward payment process has turned into a drawn-out and distressing experience for Mrs F. Part of my role is to determine whether what took place was fair and reasonable and whether AIB followed the process correctly.

In assessing whether AIB acted fairly, I've taken into account the relevant rules and guidelines along with good industry practice. There are general principles that say a bank should conduct its business with due skill, care and diligence and pay regard to the interests of its customers.

A bank has to act on the payment instructions of its customer unless it suspects fraud and as AIB accepted the payment instruction from Mrs F's daughter. It was therefore AIB's responsibility to take ownership of the issue. I'm pleased to see that AIB has acknowledged its part in the error as I would hope that it views this complaint as an opportunity to review what went wrong with the payment and make adjustments to its payment processing.

When we make awards of compensation we are not looking to fine or punish a business but to find an award that fairly and reasonably compensates the consumer for the wrong that has been done.

AIB has acknowledged that our service must consider each complaint on its merits, but AIB said it has paid fair compensation to Mrs F via her daughter's complaint. AIB said 'this was made implicitly clear in the Final Response Letter to this case.' I disagree, there is no reference to the compensation previously paid to Mrs F's daughter being in respect of Mrs F's own issues in that letter and I don't find this to be implicit from the text.

We advised Mrs F that she needed to put in a separate complaint about what happened in her own name. And she has described to us the distress and inconvenience she herself experienced. I've considered the timeline of events and AIB's handling of the payment to decide if an award of compensation to Mrs F is fair in the circumstances.

I can well understand Mrs F's frustration at being repeatedly informed the issue was with her bank and not AIB, and that they had yet to respond to AIB's request for a recall of the funds. This information was incorrect as the funds had not been sent to Mrs F's bank.

Following a number of communications from Mrs F and her mounting concern about the 'missing' payment she decided to visit her bank and AIB. This was despite her physical disadvantages and a bereavement.

AIB's branch manager told Mrs F that AIB had transferred the funds to her bank. Mrs F had just visited her bank and been told the opposite. It was then pointed out to AIB that two payments of the sum had been made to Mrs F's daughter's account, whereas one payment should have been sent to Mrs F's account. It was at this point it appears that AIB realised that a duplicate payment had been made. AIB then transferred the funds to Mrs F's account the same day.

## **Putting things right**

Given the anxiety and inconvenience Mrs F was put through during a time of grief, it doesn't seem fair for her to receive no compensation. I agree with the investigator that £300 compensation is a fair and reasonable reflection of Mrs F's very difficult experience following the error and misinformation with the payment alongside a payment of interest for her loss of use of the funds.

By way of confirmation of our approach, our service investigates the merits of complaints on an individual basis. And that is what I've done here. I think it's important to explain that my decision is final. I realise that AIB will be disappointed by this outcome though I hope they appreciate the reasons why it had to be this way.

## **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require AIB Group (UK) Plc to pay Mrs F £300 compensation for the distress and inconvenience she has been caused. And AIB Group (UK) Plc should pay Mrs F 8% simple interest on the payment for the period from 2 to 12 September 2024 when the funds were absent from her account following the payment instruction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 14 April 2025.

Andrew Fraser  
**Ombudsman**