

The complaint

Mr F complains about the service provided by Shawbrook Bank Limited when he opened an online savings account with it in August 2024. Mr F's account was never funded, and has since been closed.

What happened

Mr F told us he had opened a new savings account with Shawbrook, but he was unhappy with it right away. He said he was particularly concerned to be told he had to use an account information service provided by a third party that Shawbrook partners with (which I'll refer to as Open Banking) to verify the account that he intended to use to transfer money in and out of his Shawbrook savings. Mr F said he was given no alternative to Open Banking, and the risks which he considers to be inherent in using it weren't explained to him at all.

Mr F said he wanted Shawbrook to close his online account, and make sure he could no longer log in. But he said Shawbrook didn't just do that when he asked. He also said that Shawbrook wasn't clear about what format he needed to use for his name when making a transfer to his savings, and it didn't acknowledge that its poor service had negatively impacted his mental health.

Mr F said he wanted us to listen to the calls he'd made to Shawbrook, so we could hear that the issues with the bank caused him substantial stress. Mr F said he wanted an explanation, compensation and an apology.

Shawbrook said Mr F had complained about a number of issues. He hadn't wanted to give his customer number when he was asked for it. Shawbrook said Mr F had got the impression that he ought not to give this number out to anyone, but it thought it was clear from the correspondence he was sent, that this only applied if someone contacted him and asked for the number. So that wouldn't apply when Mr F contacted Shawbrook. But Shawbrook did accept that its agent could have verified Mr F by other means, if he was uncomfortable giving out this number.

Shawbrook said Mr F was unhappy that it doesn't operate on a weekend, so he'd sent money on a Friday and couldn't confirm it had arrived until the next week, and a secure message he sent on a Saturday didn't receive an answer until the following week. But Shawbrook said Mr F's money didn't arrive on the Friday anyway, so it couldn't confirm receipt until the money had arrived, the following week. And it said its opening hours are clear online, it has never suggested to him it would be available on weekends.

Shawbrook said Mr F had given it his full name, including a middle name, and if he'd wanted to check this, he could simply have logged in to online banking. But it would have accepted a transfer sent using his first and last names only.

Shawbrook didn't accept the transfer Mr F made. Shawbrook said Mr F's transferred money was only returned to him because he hadn't sent it from his nominated account.

Shawbrook accepted one of its agents had told Mr F she couldn't raise a complaint about

herself, meaning he had to call back to register that complaint.

Shawbrook said Mr F told it he'd made a test payment of £1, but got a message thanking him for transferring £100, which worried him. Shawbrook said it had checked this message, and could see it confirmed a transfer of £1.00.

Shawbrook said Mr F had objected to being asked to use Open Banking to verify his account. It said it had only asked him to do that because he'd tried to send funds from an account that wasn't his nominated account, so now it would like to verify his account. But Shawbrook said it wasn't forcing him to do that, and Open Banking would only be used to verify that the bank account he was transferring from was indeed his.

Shawbrook said it had upheld Mr F's complaint that an agent wouldn't use a different way to identify him, other than his customer number, and it had also upheld his complaint that he'd had to call back to raise a complaint when another agent wouldn't take a complaint about themselves. It has also apologised because it did attempt to call Mr F, after he had asked for no contact by phone. So Shawbrook paid Mr F £75 as an apology. But Shawbrook didn't think it had got anything else wrong.

Shawbrook said it then reopened Mr F's complaint when he objected to the format its complaint response letter was sent in. Although it didn't think that was a mistake, it did resend the letter by post. The outcome of his complaint didn't change.

Shawbrook said it also wanted to say that it's never acceptable for customers to raise their voices or become verbally aggressive towards its agents, and agents don't need to carry on a call if Mr F behaves in this way.

Our investigator thought this complaint should be upheld, and Shawbrook should pay Mr F a little more compensation than it had previously sent him. She said it was clear that Mr F was unhappy overall with the service Shawbrook offered. She looked at each of his complaint points in turn.

Our investigator said Shawbrook had recognised the inconvenience it had caused, and paid £75 for poor service. But she said Mr F's access to online banking hadn't been shut down right away, when he asked, so she would ask Shawbrook to pay £50 for that. She said online banking access had now been shut down for Mr F.

Mr F strongly disagreed. He said he'd been told he couldn't operate his account unless he used Open Banking. He said Shawbrook's terms and conditions do not indicate that Open Banking is mandatory as an alternative is given, but he wasn't allowed to use the alternative, Shawbrook had refused to verify his identity using paper documents. Mr F also said that it was the content of Shawbrook's email to him that made him concerned about giving out his customer number to the bank.

Mr F said it was unreasonable to expect him to remember how he'd given his name to Shawbrook. And he said that the sending bank asked for the exact name as a reference, but there wasn't enough space to input his full name.

This complaint was then referred to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

I've listened to a number of calls that Mr F had with Shawbrook from 12 August 2024 onwards. I can hear that Mr F was very unhappy from the outset with the service he had received. He was concerned that Shawbrook was only open on weekdays, and in particular that there wasn't a 24 hour team dealing with fraud at Shawbrook. Mr F said at this time that he was already planning to close this account.

So in considering the rest of Mr F's complaint, and assessing the appropriate compensation here, I have to bear in mind that although Mr F then became unhappy about other issues, I have reached the view that he was very unlikely to have kept his account open in any event, simply because Shawbrook doesn't offer a banking service over the weekend.

Mr F said Shawbrook had confirmed the wrong amount for his recent transfer. He told us he'd sent £1, but received confirmation that £100 was sent. I've seen the message Shawbrook sent to Mr F, and it did say £1.00 was sent. I don't think Shawbrook made a mistake there.

Mr F has stressed that he didn't want to use Open Banking, and he said Shawbrook gave him no alternative. I have seen the letter which was sent to him about this, which doesn't appear to me to be completely clear, but does seem to indicate that he was only being asked to verify his nominated account using Open Banking. However, I've also listened to a call where this was discussed, and Mr F was told there was no alternative to verifying this account in this way.

Our service expects customers to be given a choice whether or not to use Open Banking, including to verify their identity or their ownership of an account. Although Shawbrook's online information does not clearly say Shawbrook will always require the use of Open Banking, the agent told Mr F he had no choice. I am upholding this part of Mr F's complaint. However, I should also say that I think this had limited impact on Mr F, because he had already decided he was unhappy with the service Shawbrook offered, and had already decided not to continue to use this account. I must take all of this into consideration when deciding on compensation in this case.

I don't think Shawbrook's handling of Mr F's complaint falls entirely outside of our service's jurisdiction. In particular, Mr F had clearly asked for no phone contact, so it's disappointing that Shawbrook tried to call him.

I have read the email that was sent to Mr F with his customer number. I do think this was unhelpfully phrased, and if Shawbrook wanted to ask him for this number to identify himself, it should have been clearer that he could give out the number if he was asked for it after he'd called the bank himself. So I do uphold Mr F's complaint about this, and that he wasn't able to proceed with one call because he was asked for this information, which he wasn't comfortable giving. I also note that this wasn't a widespread problem, as other agents were able to identify Mr F through other means.

Mr F said he wasn't clear what format he had to put for his name, when he was transferring from another bank. That bank apparently asks for the account name to be exactly as it is on Shawbrook's account. But that's not a requirement Shawbrook has put in place, and I cannot fairly hold Shawbrook responsible for that. It has said Mr F could log on to his online banking to confirm the name he gave it, and I don't think Shawbrook has to do more than that.

Mr F's complaint response letter was at first sent to him using an email encryption service. I don't think that was an inappropriate step for Shawbrook to take. I note that it

then sent him this letter through the post. I don't think Shawbrook has to do more than that here.

When this case came to our service, Mr F said he'd asked for his account to be completely closed down. He didn't want to be able to log in to Shawbrook's online banking system any more. Shawbrook did close his account, but it didn't remove his ability to log into online banking. I think Mr F's request was clear and Shawbrook should have taken the steps that it took on 16 September, right away. So I do uphold his complaint on this point.

Mr F also wanted Shawbrook to acknowledge that its poor service had negatively impacted his mental health. On this point, I should say that although I understand Mr F has found his interactions with Shawbrook frustrating and upsetting, I don't agree with him that its agents must not react to him raising his voice or swearing at them. It is not poor customer service for Shawbrook to say that its agents have the right to be treated with respect. I make no award in respect of customer service where those agents chose to end calls because Mr F became abusive.

Shawbrook has paid Mr F £75, and it has agreed to pay Mr F £50 in response to our investigator's suggestion. I understand that Mr F has raised a number of areas of concern here, some of which I have upheld. However, I have to balance this against the fact that he'd expressed from the outset his intention to close this account. So, in all the circumstances of this complaint, I think a total payment of £125 provides a fair outcome to this complaint. That's what I currently propose to award.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

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.

Shawbrook said it would agree to my proposed resolution here. Mr F responded to say he agreed, but then replied again to change his mind.

In his second reply to our service, Mr F said he ultimately chose to close his account because he was told he must use Open Banking, not because Shawbrook was not open at the weekend. And he wanted me to comment on what he'd said about not having been given any explanation of the risks of using Open Banking, or told what data would be shared. He wanted to know why financial institutions weren't required to explain this in detail.

My provisional decision set out that, in the calls I listened to, Mr F had already expressed his intention to close this account, before the issue of using Open Banking to verify his account was raised. I accept that Mr F then decided to close this account primarily because of his concerns about using Open Banking. However, my provisional decision also set out that I thought Mr F was very unlikely to have kept his account open in any event. I still think that.

Mr F also wanted to know why Shawbrook didn't explain in detail how Open Banking worked. He thought it should have done this.

Shawbrook sent Mr F a letter which said it wanted him to get in touch, so it could send him a link to a third-party website which Shawbrook partners with, for the purpose of verifying accounts. I understand that Mr F never requested this link. I cannot assume, for current purposes, that this link would not have provided the information Mr F thinks should have

been provided to him about how this verification process would work, and what data would be shared.

I also note that Mr F expressed strong views about Open Banking, and I do think he had decided not to engage with this verification process right away. I should stress that I'm not seeking either to challenge or to denigrate Mr F's views here. I've set out above our service's approach, we expect customers to be given a choice whether or not to use Open Banking. But I do think that Mr F's strong views on this subject mean that a detailed explanation of the verification process provided at an earlier stage would have been very unlikely to make a difference in this case.

For these reasons, I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Shawbrook Bank Limited must pay Mr F £50, in addition to the payment of £75 it has already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 March 2025.

Esther Absalom-Gough

Ombudsman