

The complaint

Mr R complains that Plum Fintech Limited ('Plum') failed to properly notify him about changes to their monthly subscription service.

Mr R would now like Plum to refund all of the charges on his account.

What happened

In July 2019, Mr R opened a stocks and shares account with Plum and the following month, he subscribed to their Plum Plus tier. In November 2022, Plum then upgraded Mr R's account to Plum Pro where his subscription increased from £1 to £1.99 each month. In July 2023, Plum then increased the monthly cost of the subscription to £2.99.

In October 2024, Mr R contacted Plum's customer support team because he was concerned about the charges coming out of his account for the subscription service. Mr R asked Plum to refund the payments he'd made as he said that he'd not made use of the service. Plum referred Mr R to their terms and conditions which explained that it was the consumer's responsibility to cancel any subscription service with them that they no longer wished to benefit from. However, as a gesture of goodwill, Plum stated that they would refund 10 months' worth of charges, totalling £29.90 to him.

Unhappy with that outcome, Mr R decided to formally complain to Plum. In summary, he said that he shouldn't have been charged the subscription fee because he'd not been using the service. In addition, he also said that he was unhappy as Plum had failed to adequately inform him of the changes to the subscription service.

After reviewing Mr R's complaint, Plum concluded they were satisfied they'd done nothing wrong. They also said, in summary, that their communication on the matter had been clear. Mr R was unhappy with Plum's response, so he referred his complaint to this service. In summary, he said that Plum's subscription notification practices lacked transparency, making it difficult for consumers to make informed decisions. Mr R also went on to say:

- Despite cancelling his subscription in October 2024, he had been paying for months without realising the tier charge and associated cost.
- Plum had failed to proactively notify him of the upcoming renewals or price changes in an obvious and timely manner, resulting in unexpected charges.
- Given Plum has access to his mobile phone number, they should've contacted him via SMS to ensure that he'd received notification of their planned changes.
- Plum's response to his complaint indicated that they bore no responsibility for notifying users of upcoming renewals, contradicting fair practice under the Consumer Rights Act.
- Plum's offer of a goodwill gesture doesn't fully address their wrongdoing. He explained

that as Plum had offered to refund £29.90 for 10 months' service; it pointed to the fact that they'd implicitly admitted that they were at fault. He said that he wanted Plum to refund all of his charges.

- Numerous other customers had left negative reviews on online feedback sites, suggesting that this was a systemic issue that needed further investigation by this service.

The complaint was then considered by one of our Investigators. She concluded that Plum hadn't treated Mr R unfairly because from what she'd seen, Plum had taken the necessary steps to notify their customers of the changes to their plan subscription offerings.

Mr R, however, disagreed with our Investigator's findings. In summary, he said that whilst Plum had sent him emails about the changes, there had been a lack of explicit consent before upgrading his subscription and increasing the price, particularly in light of the fact that they'd failed to provide an adequate notice to him. In addition, Mr R said that Plum's marketing had been misleading because there'd been no direct investment of his monies and that meant Plum had falsely advertised and misrepresented their services. As Plum had already refunded some of their charges, that was an implicit admission that their service and communication were poor. As such, Mr R explained that he was entitled to a full refund.

Our Investigator was not persuaded to change her view as she didn't believe Mr R had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, Mr R then asked the Investigator to pass the case to an Ombudsman for a 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.

I have summarised this complaint in less detail than Mr R has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mr R and Plum in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr R's complaint and whilst it's largely for the same reason as our Investigator - I'll explain why below.

From what I've seen, when Mr R originally opened his investment with Plum, they had five different subscription tiers that were available to their consumers; each tier offered a number of incremental improved benefits. And, when Mr R originally opened his account, he proactively opted into their Plus tier (which was the subscription service above their Basic or free offering). However, following a review of their tier offerings, Plum decided to do away

with the Plus tier and move their customers who were on that service onto their Pro tier (the next offering up from Plus).

In November 2022, Plum wrote to all customers, informing them of the amendments that they were making to their subscription tiers. This email explained that for a limited time, customers would continue to pay £1 each month for the plan so they'd have time to see if the new offering worked for them. It went on to say that their subscription would then increase in December 2022 to £1.99. And, in July 2023 the discounted offering would come to an end and it would then increase to the tier's normal charge of £2.99 each month.

Importantly, Plum's message also explained that if customers didn't want to be placed into the new offering, they could downgrade to the Basic tier via their app. And, once the £1.99 offer came to an end, Plum then wrote to customers to inform them that the monthly price was increasing to the regular charge of £2.99.

Ahead of the discounted offering coming an end in July 2023, Plum also wrote to account holders on 27 June 2023, reminding them of the previously notified change and the increase in monthly cost. From what I've seen, Mr R has conceded that he saw those emails but says he didn't understand what they were saying. I've looked closely at Plum's messages, but I can't conclude their positioning of the changes or the language that they used in their messages were ambiguous. I'm satisfied that Plum made clear the reasons why they were making the change, when it would happen and what subscribers could do if they didn't want to be moved onto the new tier. I also think the timing of those messages was reasonable.

But in any event, from what I've seen of Plum's differing subscription tiers on their website, consumers are able to switch between the four levels at any time, without penalty. So, even setting aside any free or promotional trials, Mr R was able to move on to Plum's Basic (free) package at any time of his choosing if he wasn't reaping the benefits of the tier that he was on or if he no longer wished to pay the fee Plum were levying.

And in any event, even if Mr R didn't understand Plum's messages about the alterations to his tier package, he ought to have noticed the different amount being charged to his account each month had changed from £1 to £1.99 to £2.99 over the 60 or so months he was paying a subscription and questioned this if he were in any doubt about what he was getting. So, I can't reasonably conclude that he had been paying for all that time without realising the associated cost.

Whilst Mr R is of the opinion that Plum's offer of a goodwill payment points towards them conceding their practices were deficient, I don't agree. A firm may choose to offer a consumer a goodwill payment for a whole manner of different reasons, for example to help retain their custom and maintain a positive relationship, but from what I've seen in this instance, it's not as a consequence of any admission of guilt so I can't conclude that Plum have done anything wrong just because they've offered to refund some of the subscription charges.

Mr R has explained that he'd like this service to investigate Plum's subscription management and communication practices. I think it's important to be clear about the remit of this service – we're not here to oversee or punish businesses, that's the responsibility of the regulator, the Financial Conduct Authority (FCA). Our role is to investigate individual complaints between a consumer and a firm, but we wouldn't ordinarily tell a business how it should mass communicate with its consumers about their products as that's an operational decision for them to make. And, whilst Mr R has signposted a number of negative reviews that he's seen online about Plum, we can only deal with his specific individual concerns that Plum have been given the opportunity to respond to. But, I think it's very important to be clear here – just because an individual has posted a comment about a firm online, it doesn't necessarily

mean that it's true or that it's a balanced account, so such remarks should be taken with some degree of caution.

Even though Mr R has said that Plum should've texted him about the upcoming changes to the subscription plan, the manner of how they choose to communicate with their customers is a decision for them to make.

It therefore follows that as Plum highlighted the changes clearly and in a timely manner to Mr R and they signposted options to him if he didn't wish to proceed with the new subscription tier, I can't conclude that they have treated him unfairly, so it therefore follows that I'm not upholding his complaint.

My final decision

I'm not upholding Mr R's complaint and as such, I won't be instructing Plum Fintech Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 August 2025.

Simon Fox
Ombudsman