

The complaint

Mr M complains that Northern Bank Limited trading as Danske Bank didn't honour a current account switch offer and that the service he received when he contacted it about the matter was poor.

What happened

Danske Bank was offering a £200 incentive payment to customers switching a bank account to it. The process involved customers using the Current Account Switch Service (CASS) and meeting other qualifying criteria such as depositing £1,000 in the new account within 60 days of the account being opened.

Mr M switched an account to Danske while the offer was available, but he didn't receive the £200. When he queried this, he was told that the switch incentive offer wasn't available to existing customers. Unhappy with this, Mr M complained.

Danske responded to Mr M, but it didn't uphold the complaint. It said that – as an existing customer of the bank, Mr M didn't qualify for the offer as it was only open to new customers. Unhappy with the outcome Mr M referred his complaint to this service. He said that the terms of the offer were ambiguous.

One of our investigators upheld the complaint. She didn't think the terms of the offer were clear. She recommended that Danske Bank should pay Mr M the switch offer - £200, and an additional £100 for the inconvenience caused.

Danske Bank didn't accept this. It said the terms are clear and it asked for an ombudsman to consider the complaint.

So, the complaint was passed to me, and I issued a provisional decision as set out below.

My provisional decision dated 17 February 2025

Mr M has made detailed submissions to both Danske and this service. And I've only summarised his concerns above. So, I'd like to assure Mr M that I have read and considered all his correspondence in full. But as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made but to consider the crux of the complaint.

A business is required to provide consumers with clear, fair, and not misleading information so they can make informed decisions about products and services.

Danske Bank has said that Mr M didn't qualify for the switch offer as he was already a customer of the bank and that the terms of the switch offer were clear on this point. Mr M doesn't dispute that he was already a Danske Bank customer, but he says the switch offer terms are ambiguous. So, I've looked at the information available to Mr M when he initiated the account switch.

From what I've seen, the outcome of this complaint turns on point 1.2 of the switch offer terms and conditions. This says that to benefit from the switch offer the customer needs to be:

'a new Danske Bank Personal Current Account customer (account opening subject to status)'.*

When read in isolation, I'm persuaded that it's clear that to qualify for the switch offer the customer applying to switch an account needed to be a new Danske Bank customer.

However, 1.2 of the terms - as set out above, links to further wording via an asterisk (). Here it says:*

*'*If you're a new Danske Bank customer, you must be living in Northern Ireland. If you're already a Danske Bank customer, you must be living in the UK'.*

And this is what Mr M says is ambiguous. He says as an existing customer living in the UK the terms indicate he qualifies for the switch offer.

In response to the outcome reached by the investigator, Danske Bank said it can see the interpretation that Mr M has given to the terms of the switch offer. But it says that the part Mr M is relying on isn't to be read as any sort of further caveat or provision about the eligibility criteria for the switch offer. Rather it says this wording relates to Danske Bank's Personal Current Account opening policy.

I've thought about this carefully. And while I acknowledge Danske's explanation, I'm not persuaded that the terms are as clear and concise as they should have been. The terms document is headed as:

'Danske Bank Switching Offer Terms and Conditions'

As such, I'm persuaded that it wasn't unreasonable that Mr M assumed that all the criteria set out within the terms related to the switch offer rather than – in part, relating to Danske Bank's general account opening criteria.

Had the terms been clearer, I'm persuaded that Mr M wouldn't have switched his account. So, I find Mr M has been caused inconvenience and compensation is due.

When deciding what fair compensation should be, I've taken into account that – as an existing Danske Bank customer, Mr M was not eligible for the switch offer. So, I don't agree with our investigator that Danske Bank should pay Mr M the £200 switch offer.

I've also taken into account that when switching his account Mr M used CASS – a service which makes account switching easier. So, he didn't experience the same level of inconvenience he might have had he switched accounts without using CASS. Overall, I find £100 fairly reflects the inconvenience caused due to the switch offer terms not being as clear as they should have been.

Mr M has raised concerns about how Danske Bank handled this complaint. I should explain that complaint handling - in itself, is not something this service generally considers as it's not a regulated activity. And it's not for this service to tell a business how it should run its complaint handling process.

But from what I've seen Danske provided its answer to Mr M's complaint and within the timescales it is required to. It also provided referral rights to this service. Overall, while I understand that Mr M may have expected Danske Bank to answer his concerns more comprehensively than it did and he didn't agree with the outcome it reached, I'm not persuaded that it handled the complaint incorrectly. And by referring his complaint to this service, Mr M has now had the impartial review he is entitled to.

My provisional decision

For the reasons given above, I intend to uphold this complaint and tell Northern Bank Limited trading as Danske Bank to pay Mr M £100 in recognition of the inconvenience caused.

Responses to my provisional decision

Both parties were given the opportunity to respond to my provisional decision. Danske Bank said it remained of the view that the additional account opening information was not part of the eligibility criteria, however, it accepted the provision decision. Mr M didn't respond to my provisional decision or the follow up email and phone call from the investigator.

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.

As Danske Bank has accepted my provisional decision and Mr M hasn't provided any further comments or evidence for me to consider, I see no reason to depart from my provisional findings.

My final decision

For the reasons given above including those in my provisional decision, I uphold this complaint in part. Northern Bank Limited trading as Danske Bank should now pay Mr M £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 April 2025.

Sandra Greene
Ombudsman