

## **The complaint**

Mr R complains about Furness Building Society (FBS) in their handling of his pension payments. As a consequence, Mr R incurred costs and suffered inconvenience.

## **What happened**

In January 2024, Mr R contacted FBS to check an account balance, expecting it to include a monthly pension payment credited from a provider who I'll call B. It was established that the payment had been returned to B due to the beneficiary account details they used. Mr R contacted FBS on a number of occasions in attempts to resolve the issue but during this time, other pension payments were returned.

The issue was corrected and payments successfully credited but Mr R complained to FBS about the experience explaining the inconvenience caused and the costs of over £200 he had incurred.

FBS investigated the complaint and wrote to Mr R explaining what happened. They said the pension payments had been received by FBS since 2015 but were crediting an old internal account of theirs, from which FBS had been manually moving the funds each month to Mr R's account. Due to internal changes, this arrangement could not be continued, and the payments were returned. FBS apologised for this along with not contacting Mr R when they should have done about the returned payment, and not telling him when they should, to update his account details with B.

Mr R in his complaint detailed a total amount of £215.74 he required FBS to pay him, comprising costs and time. In response, FBS separated Mr R's £55.74 cost figure for letters and phone calls, and said they would round this up to £75 along with an additional £100 for inconvenience.

Disagreeing with FBS's stance, Mr R decided to bring his complaint to our service.

Our investigator looked into the complaint and issued their view. In it, they acknowledged the errors that FBS made. Our investigator agreed that the £75 for costs was fair but thought that the £100 for inconvenience should be increased to £150.

FBS agreed to this, but Mr R said he wanted more time to consider it, and send our service more information, which he did. Within the information, Mr R detailed what he considered to be his hourly rate, which increased his compensation claim by nearly £300, plus gave more detail around costs.

After review, our investigator said their view had not changed. They acknowledged Mr R's information but said on balance, what FBS offered along with the investigator's suggested increase was fair.

Mr R disagreed and consequently, he requested an ombudsman review his complaint.

## **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 looked at the information FBS has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr R fairly. Although I may not mention every point Mr R has made, I'd like to reassure him I've considered them throughout my investigation. I've focused on the main points relevant to my outcome.

Looking at the errors made, I'm pleased to see that FBS detailed, and apologised for the service they delivered, and awarded compensation. One important error on which I agree with the investigator and FBS is their failure to let Mr R know sooner that the payments were being received into an invalid account. It's encouraging to note that FBS, through their manual adjustment each month, were trying to maintain a good service level for Mr R, but I acknowledge this dependency on a manual process wasn't ideal.

I know Mr R has raised concerns about what he sees as management incompetence within FBS, stating that 'proper management' would have identified the monthly pension payment issue and fixed it, rather than allowing the manual process to take place. It's not for me to police FBS, that would be for our regulator the Financial Conduct Authority (FCA). But I hope Mr R takes some reassurance from this complaint that FBS have taken learning points and delivered feedback, and from the point of view of this service, I would expect that FBS use their failings to positively influence future service.

Moving onto compensation which I know Mr R feels strongly about, our investigator in their view dealt with Mr R's hourly rate claim effectively, explaining succinctly that it's not for this service to determine, or agree with the worth of Mr R's time. Equally, in terms of the amended cost figure that Mr R supplied, I acknowledge that he made choices which incurred certain costs, therefore I agree it wouldn't be fair to ask FBS to cover everything that Mr R listed.

So whilst I very much empathise with Mr R and his situation, and appreciate the significant amount of information he has sent to this service, I do believe that the amended total of £225 comprising £75 costs and £150 distress and inconvenience is reasonable in the circumstances.

I know Mr R will be unhappy with my decision but it's vital that I look at the case using the facts, and compensation through the lenses of fairness and reasonability.

## **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require Furness Building Society to credit Mr R with an additional £50, as I'm aware £175 has previously been credited successfully.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 30 June 2025.

Chris Blamires  
**Ombudsman**