

The complaint

Mr S complains that Zopa Bank Limited failed to process a balance transfer to his new credit card.

What happened

Mr S holds a credit card with Zopa. In November 2024 Mr S took out a new credit card with NatWest and put in details to transfer the balance of £1750 from his Zopa card, as well as some other credit cards. All of the balances transferred successfully except the Zopa balance.

Mr S then received an email from NatWest advising him that the balance transfer had failed. He contacted Zopa to check that a balance transfer to another card was possible and was assured that it was.

Mr S contacted NatWest to request the balance transfer again. He says he was advised by a NatWest representative that all balance transfer requests from Zopa fail because Zopa didn't follow the industry standard for balance transfers.

Mr S complained to Zopa. He asked them to freeze interest on his card until the balance transfer could be completed. He said that if the balance transfer couldn't be completed, he wanted interest frozen for 13 months, which was the promotional rate on the NatWest card to which he was trying to transfer the balance.

Zopa didn't uphold the complaint. In its final response dated 27 November 2024 it said it wasn't responsible for verifying whether a new credit card provider accepted balance transfers from Zopa and that it was the customers responsibility to check the terms and conditions with their new provider to confirm that they can facilitate the balance transfer process. Zopa provided Mr S with sort code and account details which it said he would need to provide to the new provider along with his 16-digit card number.

Mr S remained unhappy and brought his complaint to this service.

Following the referral of the complaint to this service, Zopa acknowledged that it should've found out more information from Mr S before issuing its final response. It said it had changed its process, and that NatWest should've been able to complete the balance transfer. Zopa said it had amended its account details, but NatWest may not have updated its systems causing the balance transfer to fail. Zopa offered to refund all interest applied to Mr S's account since November 2024.

Our investigator thought the offer was fair. He said he was satisfied that Zopa had changed its process for balance transfers in June 2024 which was prior to Mr S's attempted balance transfer. The investigator said that because NatWest had confirmed that the account details it had used for the balance transfer were incorrect, he couldn't hold Zopa responsible for the account details not being updated by NatWest, which is what caused the balance transfer to fail.

Mr S didn't agree. He said he thought it was Zopa's responsibility to make sure that its bank details were up to date at NatWest and questioned whether there was evidence that Zopa had provided updated details. Mr S said he'd been financially disadvantaged and that he wanted interest frozen on his credit card until January 2026.

Because Mr S didn't agree I've been asked to review the 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 know it will disappoint Mr S but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it onboard and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr S has said that Zopa's processes for balance transfers aren't the same as other credit card providers and that this is the reason why the balance transfer failed.

Zopa has explained that its processes changed in June 2024 and that as part of this change of process it updated its account details. Zopa have provided this service with confirmation of the steps required to transfer a balance out. The first step is for the customer to enter their Zopa card number (16-digit number). The second step is for the new credit card provider (in Mr S's case NatWest) to send the funds using the account number and sort code provided by Zopa.

This service asked NatWest to confirm the account number and sort code it used to transfer the funds to Zopa. NatWest provided details of the account it used but Zopa subsequently confirmed to this service that NatWest had used incorrect details.

This service asked Zopa to confirm that it had updated its details, and it confirmed that it had. It said it had provided updated details but was unable to evidence this with the specific email which was sent. Zopa has however provided evidence in other cases which shows that they have successfully received monies from NatWest in relation to balance transfers since August 2024.

Based on what I've seen, on the balance of probability I'm satisfied that Zopa did provide updated account details. I can't say why NatWest didn't use the updated details to complete Mr S's balance transfer or whether there was an issue at their end. It may be that Mr S wishes to ask NatWest to attempt the balance transfer again using the correct details. If the transfer is still unsuccessful it may be that Mr S decides to make a complaint about them and have them investigate it. And if Mr S is unhappy with the outcome, he can refer the complaint to this service.

That said, this complaint is about Zopa. I'm not persuaded that any issues with the balance transfer were due to an error by Zopa.

I understand that Mr S feels very strongly about this. I do have sympathy for him, because he hasn't been able to complete the balance transfer that he wanted. As a result, he's paid interest on the balance on the Zopa card, when, had the balance transfer been completed, the balance would be subject to a 13-month 0% interest promotion with NatWest.

I acknowledge that Mr S has been financially disadvantaged as a result of not being able to complete the balance transfer from Zopa. However, as I've explained above, I'm unable to say that Zopa has made an error here, so it wouldn't be fair to require Zopa to waive interest for 13 months (which is what Mr S wants them to do).

Having reviewed everything, I think that Zopa has been fair and reasonable in offering to refund interest on the account since 8 November 2024.

Putting things right

To put things right, Zopa Bank Limited must refund interest from 8 November 2024. This is fair because it recognises that Zopa could have done more to support Mr S after the balance transfer failed.

My final decision

My final decision is that I uphold the company. Zopa Bank Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 June 2025.

Emma Davy
Ombudsman