

## **The complaint**

Mrs M complains about the service received from Al Rayan Bank PLC (“Al Rayan”) when it mistakenly sent the balance of her entire account to a work colleague causing her significant distress and inconvenience.

## **What happened**

Mrs M was abroad on holiday when she discovered on 20 December 2024 that the balance of what she was using as a holiday account – but in fact was a holding account for funding term deposits - had been sent in its entirety (around £5,000) to a work colleagues account. As it was late on Friday evening and outside Al Rayan’s opening hours Mrs M had to wait until after the weekend on 23 December before she could speak to someone at Al Rayan about this and have the matter investigated.

When Mrs M got in contact with Al Rayan she explained to the advisor she didn’t recognise the transaction on her account which she uses as a holiday account and that the account had been emptied and so she had no money to spend on her holiday. Mrs M was told that the account she was using was a holding account and that it wasn’t meant to be used as anything other than this.

Mrs M realised that the money had been sent to her work colleague as he had been the last person to deposit funds (£17) into her account to cover a work event. The advisor provided Mrs M with two options for getting her money back:

1. She could ask her work colleague to send it back by faster payment; or
2. They could initiate a payment recall but this would take up to 21 days.

Mrs M was very upset with this and a complaint was raised. Mrs M said she would call back the following day when she returned from holiday but wanted the funds returned within 24 hours.

The following day Mrs M called Al Rayan again and was given the same options for having the funds returned. Mrs M made it clear that she didn’t want to and wasn’t going to speak to her colleague about the matter as she didn’t know him very well and was embarrassed as he now knew how much money she had in her account which was private. Furthermore, as it was Al Rayan’s mistake it was for them to resolve and waiting 21 days was unacceptable. At which point Al Rayan’s adviser raised a payment recall request and following the call the funds were returned to Mrs M.

Al Rayan accepted it made an error when removing the funds from the holding account in that the entire balance was returned to the originating account of the last payment received in and offered Mrs M £200 compensation for the distress and inconvenience caused but didn’t agree there had been a data breach as the only information her colleague received were Mrs M’s name and account details which he already held.

Mrs M was dissatisfied with this and brought her complaint to this service. She says there has been a data breach in that her work colleague has been given information about her

personal financial circumstances causing her significant distress and embarrassment. Mrs M doesn't believe the compensation offered adequately reflects the emotional distress caused and the disruption and inconvenience suffered trying to resolve the matter whilst on holiday abroad.

One of our investigators looked into Mrs M's concerns and explained that it wasn't this services role to decide whether a data breach had occurred but rather it was to consider the impact any mistakes by Al Rayan had caused. They thought that the compensation Al Rayan had offered was fair for the distress and inconvenience suffered as they thought the funds were recovered in a reasonable timeframe, Al Rayan had acknowledged it had made a mistake and they hadn't seen the Mrs M had experienced any financial loss resulting from it. And as this service doesn't issue punitive awards - as it isn't our role to punish businesses - that the £200 offer of compensation was fair.

Mrs M disagreed. She doesn't think this is enough taking into consideration the distress and time consumed in contacting Al Rayan whilst on holiday and having to wait until the Monday to do so resulting in her having sleepless nights over the weekend. Furthermore, she believes her finances being shared with a colleague must be a data breach and has and continues to cause her much distress. Mrs M asked for an ombudsman's decision.

I issued my provisional decision on 13 May 2025. In my provisional decision, I explained why I was proposing to uphold Mrs M's complaint. I invited both parties to let me have any further submissions before I reached a final decision. While Mrs M has accepted my decision Al Rayan has not and believes the £200 compensation offered was fair.

### **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.

In my provisional decision I said that:

*"Firstly, as our investigator has already explained this service doesn't supervise, regulate or discipline the businesses we cover and it's not my role to determine if a data breach has occurred – that's the role of the regulator, in this case the Information Commissioner's Office (ICO). So if Mrs M has concerns that there has been a data breach she should raise this with the ICO.*

*My role rather is to look at problems that Mrs M has experienced and see if Al Rayan has made a mistake or treated her unfairly. If it has, we seek to put - if possible - Mrs M back in the position she would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.*

*Al Rayan have already accepted it made an error which led to Mrs M's work colleague receiving the balance of her holding account on 19 December 2024. Following Mrs M's calls to Al Rayan on 23 and 24 December the balance was returned to her within 24 hours. So what I need to consider is whether £200 compensation for the distress and inconvenience this mistake caused Mrs M is enough and a fair way to settle her complaint.*

*And having considered everything I currently don't think it is. Although I accept Mrs M's funds were returned to her within 24 hours of raising this with Al Rayan Mrs M still had to spend a weekend worrying about what had happened to her funds and when/if she'd get them back and not being able to do a thing about it due to it being outside the opening hours of the bank.*

*This I think in itself would've be very distressing and added to the fact she was abroad and had to find other sources to fund the rest of her holiday would've made it even more so. Fortunately, Al Rayan was able to return the funds to Mrs M within a reasonable period of time, however Mrs M had to spend the last days of her holiday making calls to Al Ryan trying to have the matter resolved and I don't think the customer service Mrs M received regarding this was good enough and nor do I think that Al Rayan have properly considered the impact its mistake had on her.*

*Perhaps if the payment had been mistakenly made to a business or someone Mrs M didn't know personally the distress wouldn't have been as significant. But this wasn't the case here. Someone Mrs M knows and works with – but doesn't have a close relationship with - received the entire balance of Mrs M's bank account and so now has some knowledge of Mrs M's personal financial circumstances as they know how much money she had in at least one of her accounts. Furthermore, they are able to pass this information on – if they so wish – to other people she knows and works with.*

*Yet Al Rayan hasn't really acknowledged this. Indeed, Al Rayan's initial solution to its mistake was for Mrs M ask this person to send the money back – which would cause further embarrassment and discussion about her financial affairs - or she might have to wait up to 21 days for a recall to happen. I don't think it is fair or reasonable to expect a customer to be out of pocket for 21 days due to the banks error.*

*So on that basis I currently think Al Rayan should increase the compensation offered from £200 to £350 to reflect the significant distress and inconvenience caused by Al Rayan error.”*

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint and direct Al Rayan compensate Mrs M £350 compensation for the distress and inconvenience caused by its error.

### **My final decision**

For the reasons I've explained I uphold Mrs M's complaint and direct Al Rayan Bank PLC to compensate Mrs M £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 1 July 2025.

Caroline Davies  
**Ombudsman**