

The complaint

Mr M complains that WAHED INVEST LTD provided unclear information resulting in an unauthorised transaction on his account.

What happened

In June 2024 Mr M set up a recurring deposit instruction to credit £2,000 per month into his Individual Savings Account (ISA) account with Wahed. The deposit was paid from his bank account held with another business (Bank A).

On 1 January 2025 Mr M deactivated this instruction in the Wahed app and subsequently replaced it with a new instruction to deposit £1,500 per month. However, on 27 January 2025, both deposits - £2,000 and £1,500, were debited from his account with Bank A.

Mr M contacted Wahed. It said deactivating the instruction in the app was - in itself, insufficient. It said Mr M also needed to cancel the payment with his bank. But it added that Mr M could initiate a withdrawal of the overpaid amount from his ISA.

Mr M complained to Wahed saying it had failed to provide clear and not misleading information as he was not informed during the deactivation process in the app that additional steps were required to cancel the recurring deposit. He added that, once he had revoked consent through the app, Wahed didn't have his authority to debit his account with Bank A and, as such, the £2,000 debited on 27 January 2025 was an unauthorised transaction.

Wahed issued a final response letter to Mr M. It said that deactivating a recurring deposit in the app doesn't automatically cancel the payment from his bank account. It pointed to a 'pop-up' which appears during the deactivation process which says: *'Are you sure you want to deactivate your recurring deposit? If yes, make sure to delete the recurring deposit from your bank as well'*. And it didn't uphold Mr M's complaint.

Mr M referred his complaint to this service. He said that his recurring deposit was removed from view in the app after he had deactivated it, creating the impression that the deactivation process was complete. And that the 'pop-up' message Wahed referred to in its final response was inadequate. He explained that the matter had impacted his ISA allowance for the 2024/2025 tax year and had left him without sufficient funds to pay his rent.

One of our investigators looked into Mr M's complaint. But she didn't think Wahed had treated him unfairly. She said the 'pop-up' message required Mr M to close it down manually meaning he would have had sufficient time to read it. And that the message explained that another step was required to ensure the recurring deposit was fully cancelled with his bank.

Mr M responded – in summary, saying that the investigators assessment didn't fully consider whether Wahed's communication meet regulatory requirements about clear, fair, and not misleading information and treating customers fairly. He said the app showed his recurring deposit was inactive. And while he acknowledged that he had overstated the impact - in the

sense that he had been able to pay his rent, he maintained that there had been an impact on his ISA investment options.

The investigator looked into the matter again, but she didn't change the outcome she had reached. She said she didn't consider the 'pop-up' message to be mis-leading. And that she had considered the financial impact Mr M had described. But she was satisfied that Wahed had explained to Mr M that he could have withdrawn the £2,000 since 31 January 2025 had he wanted to.

Mr M asked for his complaint to be referred to an Ombudsman, so it was passed to me to decide. When the complaint was first passed to me, further information requests were made to Mr M, Wahed, and Mr M's bank account provider - Bank A. Having considered the additional information along with the all the original information provided, I issued a provisional decision.

My provisional decision dated 25 June 2025

In this provisional decision I set out the reasons why I was minded not to uphold Mr M's complaint:

I understand the crux of the complaint to be that Mr M feels that Wahed didn't provide him with sufficient clear and not misleading information for him to have been reasonably aware further action was needed to ensure his recurring deposit was fully cancelled after he had deactivated it in the app.

Wahed has referred to Mr M's recurring deposit as a standing order. A standing order is a fixed amount of money sent from one account to another at regular intervals and is initiated and controlled by the payer - in this case Mr M. So, I've thought carefully about whether the reoccurring deposit was a standing order – rather than a payment Wahed debited to Mr M's account with Bank.

Wahed has provided the terms of its ISAs and I've seen that under the heading 'How do you invest in an ISA', it says: 'You may subscribe to an ISA for the current tax year and each subsequent tax year by sending funds from your bank....'. And I've seen that Mr M's bank statements – for the account he held with Bank A, refer to the transaction as being a standing order. This all suggests to me that the recurring deposit Mr M was making was a standing order.

In addition, Bank A has provided documentary evidence which it says confirms the recurring deposit transaction on Mr M's account is a standing order which was set up by himself via on-line banking using his unique customer number.

I have considered the possibility of whether Mr M's recurring deposit was supported via 'Open Banking' - where the account holder grants access to their accounts to a third-party provider allowing the third-party to initiate payments on their behalf. But both Wahed and Bank A have said Mr M's recurring deposit wasn't made using an Open Banking arrangement. Wahed has confirmed that it uses 'Plaid' – a third party, in respect of recurring deposits. But it has explained that its current Plaid integration establishes standing orders – a push-based mechanism where the account holders bank initiates regular fund transfers.

When taking the above into account – on-balance, I'm persuaded that Mr M set up a standing with Bank A to fund his ISA with Wahed. As the payer controls a standing order, I don't agree that Wahed debited his account with an unauthorised transaction.

To cancel a standing order, the payer typically must contact the bank from where the payment is sent from – either via online banking, a mobile app, telephone or in branch, to provide cancellation instructions. But I haven't seen any evidence to suggest Mr M provided Bank A with instructions to cancel the standing order to his Wahed ISA. I've therefore gone on to consider if Wahed provided sufficient information to make it clear to Mr M that he needed to cancel the payment with Bank A.

Having seen a screenshot of the 'pop-up' Wahed has said Mr M would have seen when he deactivated the recurring deposit in its app, I'm satisfied this says: 'Are you sure you want to deactivate your recurring deposit? If yes, make sure to delete the recurring deposit from your bank as well'. I've also noted that the account holder must manually close the 'pop-up'. So, like the investigator, I find Mr M had sufficient time to read the information contained in it. But I do acknowledge Mr M's point that wording providing isn't in large or bold print.

However, Wahed has since told us that when a recurring deposit is deactivated in the app an email is sent to the account holder. And it has provided details of what it continued within the email. This says: 'You have successfully cancelled your reoccurring deposit with Wahed. However, if you set a standing order with your bank, please remember that it will not be automatically cancelled. To prevent any unintended transfers, please ensure that you manually delete your standing order with your bank.....since Wahed does not have control over standing orders set up through your bank, any transfers made due to an active standing order will still be processed'.

When considering the email in addition to the 'pop-up', I persuaded that Wahed provided Mr M with sufficient clear information for him to be reasonably aware that further action was needed - cancelling his standing order with Bank A, to prevent the recurring deposit being made.

Overall, I'm not persuaded that Wahed has treated Mr M unfairly and, I don't find it's responsible for the losses Mr M has said he has incurred.

Responses to this provisional decision

Mr M didn't accept my provisional decision. In summary, he said:

- He now understood that the recurring deposit was set up as a standing order, but this was never explained to him before.
- The pop-up did not provide sufficient clarity that additional steps were needed to cancel the payment with his bank.
- A family member has since deactivated a recurring deposit with Wahed and did not receive a pop-up message. And that he has since cancelled another recurring deposit and received the message "If yes, make sure to delete the standing order for this recurring deposit from your bank as well" which suggests the use of the pop-up is inconsistent.
- Following pressing the deactivation button in the pop-up, the app did not report that he had any active recurring deposits which gave the impression the process of cancellation was complete.
- He did not receive a follow-up email as Wahed had suggested.
- The unintended payment has impacted his 2024/2025 ISA allowance.

What happened next

Wahed was asked to provide evidence of the follow up email it says it sent to Mr M. At this point Wahed explained that at the time Mr M deactivated his recurring deposit follow up emails weren't sent. It also confirmed that when the deactivate option was selected the pop-up would disappear.

This was explained to Mr M, and he was asked to explain what he was looking for to resolve the complaint. Mr M set out his claim in two parts.

In summary he said:

- He was denied the ability to execute his ISA strategy as he intended, and he felt justified redress of £500; and
- He felt a further £750 was warranted as he had been repeatedly told by Wahed that he had made an error by not cancelling the standing order with his bank and that Wahed had compounded the issue by providing incorrect information to this service.

Having considered this new information, I was minded to reach a different outcome to that set out previously, so I issued a second provisional decision to allow both parties to comment.

An extract of what I said in my second provisional decision dated 29 July 2025

Wahed has now said that an email wasn't sent to Mr M as this wasn't part of its process when Mr M deactivated his recurring deposit in January 2025. And that the pop-up message would disappear when the deactivate option was selected.

In addition, Mr M has pointed to a screenshot from the app indicating that - after he had deactivated the recurring deposit, the Wahed app reported that he didn't have any active recurring deposits prior to setting up a new one.

Given the above, on reflection, I'm not persuaded Wahed provided Mr M with enough clear information when he deactivated the recurring deposit. I don't find the pop-up which closed down as soon as the deactivate option was chosen was sufficiently clear – particularly, as the deactivate option was in large print whereas the instruction to cancel the recurring deposit with a bank was in small print. So, I now intend to uphold this complaint. And I've gone on to consider what I think fair compensation would be in all the circumstances of this complaint.

Mr M has broken down his compensation claim into two parts – what he considers to be a financial loss and the inconvenience this matter has caused him. But overall, I haven't seen enough to be persuaded that Mr M has suffered a direct financial loss here. Mr M has referred to a loss of ISA tax advantages, but his funds always remained within an ISA wrapper.

What Mr M has outlined I find more broadly falls within the impact this matter has had on him – the loss of expectation of not being able to decide where he wanted to invest his money and the inconvenience of having to deal with this matter. So, I've thought carefully about what level of compensation would fairly recognise the impact Wahed's mistake had on Mr M. In doing so, I should explain that our role is not to fine or punish a business for its mistakes but to look at what's fair and reasonable in all the circumstances of a complaint. I must approach this matter objectively and take into account the level of awards this service makes.

Mr M has in part requested compensation because he's had to follow this matter up with both Wahed and this service. And I've seen he has gone to some lengths to present his case and supporting evidence to this service. But complaints are by their nature time consuming, and it doesn't follow that compensation is due for having to raise a complaint. We're all inconvenienced at times in our day-to-day lives when dealing with all businesses – and a certain level of frustration and inconvenience is unwelcome but to be expected.

Having considered what's happened here, I haven't seen anything in the circumstances of the complaint that persuades me that a compensation at the level Mr M has suggested would be fair.

But in not providing sufficient clear and not misleading leading information to Mr M he has ended up with more money in the Wahed ISA than he intended. So, he has suffered a loss of expectation of being able to invest his funds where he intended. And I appreciate that Mr M was unhappy when Wahed blamed his own inaction on this situation. So, I do think a compensation award is warranted.

Overall, I think £200 fairly reflects the impact – as mentioned above, on Mr M. This is in line with the level of awards we make when an error has been made which has caused a loss of expectation and some back and forth to resolve the matter.

Responses to my second provisional decision

Mr M said he didn't agree with my provisional decision in full. He said he accepted the £200 for the financial impact, but he said he did not accept the dismissal of the impact this matter had had on him. In summary, he said:

- He did not request redress simply because complaints take time. He experienced extended psychological stress and procedural unfairness.
- His ISA strategy was disrupted by being forced to invest on a platform and in stocks he no longer wished to invest the same amount of money in.
- He felt he was forced into the role of investigator and repeatedly made to feel he was in the wrong and left to disprove false evidence provided by Wahed.
- He feels that the level of award for the impact this matter had on him is more in keeping with the £300 - £750 range set out on our website. And that the distress and inconvenience award be revised to £750, making the total redress £950.

Wahed also disagreed with my provisional decision. It said that:

- When Mr M contacted it, he said he was complaining that he had not received any notification at all that he needed to contact his bank to cancel the standing order. The complaint – when referred to us, was that it had not provided clear and not misleading information.
- Mr M had to manually action the pop-up message by either, pressing the deactivation button to continue with the deactivation of the recurring deposit, pressing a different button to cancel the request or press X to close the pop-up. So, it was Mr M's responsibility to read the message in full before proceeding.
- Both the deactivate and cancel buttons are in the same font and text size.

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 appreciate that both parties feel very strongly about what happened here and they have both provided detailed reasons to set out why they don't agree with my latest provisional decision. I hope the fact that I have summarised the responses and do not respond in a similar detail will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, while I have read everything that has been provided, it is not necessary for me to respond to every point made, but to consider the circumstances as a whole.

Having done so, while I've fully considered both parties latest submission – along with all the evidence previously submitted, I don't intend to depart from my provisional decision dated 29 July 2025.

In my provisional decision dated 29 July 2025 I explained that - because of further information provided, I had found that Wahed had not provided Mr M with sufficient clear and not misleading information about the need to cancel his standing order with Bank A when he deactivated the recurring deposit in the Wahed app.

Wahed has now said that the crux of the complaint has changed from when Mr M first contacted it. However, in its response to my provisional decision Wahed has acknowledged that - in his complaint to it, Mr M did refer to the requirement to ensure all communications with customers are clear, fair and not misleading. So, as Wahed had provided Mr M with evidence of the pop-up he would have received, the outstanding point this service needed to address was whether that information was sufficient to meet the clear and not misleading standard – and, if not, whether this led to a financial loss and/or material distress and inconvenience.

I acknowledge Wahed's point that the deactivation button and button to cancel the deactivation request are in the same font. For clarity, in my provisional decision I was referring to the wording relating to the need to also cancel the payment with Mr M's bank account provider. I've looked again at the pop-up and the wording I'm referring to, and I've seen this is in a lighter colour when compared to the deactivate/ cancel options. So, I'm still persuaded that this isn't as prominent as the other instructions. So, I'm persuaded that the pop-up – on its own, didn't provide Mr M with sufficient clear information on the further steps he needed to take to cancel the recurring deposit with his bank.

Given the above, what I need to decide is the level of compensation due to Mr M – this includes any financial loss and/or any material distress and inconvenience caused to him. Mr M has said he accepts the £200 I said I intended to award for the financial impact caused to him. But as I have explained in my provisional decision, I haven't seen enough evidence to be persuaded that Mr M has lost out financially as a result. So, I do not make an award for financial loss.

But as I also mentioned in my provisional decision, I do accept that Mr M suffered a loss of expectation of being able to invest his money where he wanted to (without losing the advantages of his funds being held in an ISA wrapper). But loss of expectation more broadly falls within the impact of what happened had on Mr M along with the inconvenience of having to pursue his complaint.

Mr M has said he experienced extended psychological stress and procedural unfairness because of what happened. And I've thought carefully about this. But I'm not persuaded the impact here is as severe as Mr M has described and any award made is not intended to be a fine or punishment on Wahed for its mistakes.

I accept Mr M has he has experienced an element of distress and inconvenience – as I've said, he suffered a loss of expectation, and he has had to pursue the matter with both Wahed and this service. But I'm persuaded that the impact here was modest.

I know Mr M is going to be disappointed with my decision. But when considering what happened here, I must look at things objectively. And I'm satisfied £200 is fair and reasonable in all the circumstances of Mr M's complaint. And is in line with awards made by this service.

My final decision

For the reasons given above, and in my provisional decision dated 29 July 2025, I uphold this complaint.

WAHED INVEST LTD should now pay Mr M £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 September 2025.

Sandra Greene
Ombudsman