

## The complaint

Mr I complains that Charter Court Financial Services Limited, trading as Charter Savings Bank (CSB), provided incomplete advice and poor service when he changed his nominated bank account. He said this caused a loss of interest and affected his mental health.

## What happened

On 5 December 2025 Mr I called CSB to change his nominated bank account so he could transfer funds to an account with a higher interest rate and was told this had to be completed online. Following a request CSB said it would issue a security code to Mr I's address within 3–5 working days. And that once the code was entered into his online banking, he would receive an automated email confirming that withdrawals could be made.

Mr I called the next day as he was unsure how to use the code and was advised a pop-up message would appear on his account. However, Mr I was now advised the code would take 5–7 working days and he raised a concern about this. On 10 December 2025 Mr I called CSB about the code and was advised his account had been flagged for a security check. CSB said it wrote to Mr I on 8 December about its requirement for him to complete a form and provide a copy of his bank statement. It said the account must not have a zero balance.

Mr I received CSB's letter on 15 December 2025 and called CSB to say the process hadn't been explained before. He was told a zero balance was acceptable provided the account was active. Mr I complained to CSB and was advised it would respond within five working days. Mr I requested the matter be expedited as he needed access to his funds and asked whether the security code could be sent via secure online messaging, but this was declined.

Mr I said CSB called him later the same day and advised his complaint would not be upheld. CSB said the agents he spoke to on 5 and 6 December weren't aware of the security issue and CSB wouldn't accept responsibility. Mr I said he had relied on the information and CSB should have disclosed the full process at the outset. He then returned the form to CSB with a copy of his nominated bank account statement.

On 20 December 2025 Mr I called CSB and was advised the security code had been issued and that it should be received by 27 December 2025 at the latest. When this wasn't received on 27 December Mr I called CSB and was advised he would be contacted the following Monday, and that if the code had still not been received, the matter would be escalated to the complaints team, who may override the code.

In its response to Mr I's complaint CSB said it acted fairly and had followed its processes and procedures. CSB subsequently offered Mr I £50 compensation due to misinformation. CSB said the code was sent to Mr I on 16 December 2025. Mr I said this wasn't received until 30 January 2026 but couldn't use it until CSB told him it had updated his new nominated account details on 12 February 2026.

Mr I said he hasn't been able to transfer funds and referred his complaint to our service. He said he has lost about £100 interest from 5 December 2025 onwards and been caused significant inconvenience and frustration, requiring multiple telephone calls, and lost time.

Our investigator recommended the complaint be upheld. She said CSB confirmed that Mr I's account was randomly selected for a verification check after his calls of 5 and 6 December 2025 and he was aware from February 2024 that verification of the nominated account forms part of its security procedures. She said CSB can choose how to operate its security checks.

The investigator said CSB hadn't grasped how its actions have made Mr I feel. She said CSB told Mr I the code was sent on 16 December, and so he should have received it by 23 December 2025. Mr I opened his new account on 5 December with an interest rate of 4.42% gross, compared to 3.83% gross on his CSB account. She said CSB should pay Mr I the difference from 23 December 2025 to 12 February 2026 when the funds were transferred.

The investigator said CSB acknowledged it misinformed Mr I in his letter of 30 December and offered him £50 compensation, but this was too low. She recommended CSB pay Mr I additional compensation of £150 for the distress and inconvenience it had caused him.

Mr I disagreed with the investigator concerning factual omissions and the compensation and requested an ombudsman review his complaint. He said at no stage was he informed his account could be randomly selected for additional verification or that he would need to post forms with a recent bank statement, or that a zero balance could prevent the change. Mr I said had he known on 5 and 6 December he would have anticipated the additional steps.

Mr I said CSB should have received his request for a code by 15 December, and interest should be payable to when his transfer completed. He received a code on 30 January 2026 which wasn't usable and had to wait until 12 February. Mr I said increased compensation should be paid to cover the delay, costs and inconsistent information provided. And, for the preparation of his complaint and the distress he has been caused.

### **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 was sorry to learn about the issues Mr I has faced in dealing with CSB and the impact on his mental health that he has described. I am pleased that he is receiving support.

I have summarised the circumstances of Mr I's complaint so, I'd like to reassure him that I have read and considered everything he has told us in full and listened to the relevant call recordings. 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, but to consider the circumstances of the complaint as a whole.

Mr I has also mentioned a complaint about CSB sending his details to a former address and the difficulties this caused him. This is not part of his present complaint, and I can't consider this issue as it has not been addressed by CSB.

Mr I told us that his present complaint is not centered on CSB's security processes but about its failure to communicate these when he enquired. I have looked closely at the communications between the parties to see if and where Mr I has been misinformed and the impact of any poor service on him.

On 5 December Mr I expressed his dissatisfaction to CSB when informed CSB would send an authentication code by post that would need entering through his online account before the new account could be used. However, Mr I is aware that businesses have legal and regulatory obligations which means they must have processes in place to help ensure they

take steps to keep customers' money safe. This would include actions such as CSB's in requesting further documentation for verification.

Mr I's dissatisfaction increased when his attempt to update his nominated account online failed. Clearly Mr I would have benefited from being advised during his initial calls on 5 and 6 December that CSB would place additional security checks in the path of his request to change his nominated account details. CSB said its agents wouldn't have known about the checks at the time and I haven't seen anything to contradict this.

Mr I also said he would have benefitted from more information on the calls about the process. I can see Mr I's point that he couldn't be expected to recall details of the process that he was informed about in February 2024, but for reasons of practicality much of this information is better referenced from the terms and conditions of the account.

Mr I has acknowledged that the terms and conditions (Section 7.5) allow CSB to carry out the checks it required of him. And it's worth noting that sending the authentication code by post provides additional security as the account holder is alerted to the change to their nominated account in case this was without their knowledge. This is consistent with the approach taken by major financial businesses.

Following Mr I's calls in early December 2025 CSB wrote to him on 8 December. This letter and accompanying form provided the information that was previously lacking and requested the information CSB required. It stated that his account cannot have a zero balance. Unfortunately, this letter wasn't received by Mr I until 15 December and his follow-up call elicited that a zero balance was acceptable provided the account was active. I can understand Mr I's frustration at the contradictory information and why he asked CSB if the authentication code could be sent by email instead. But as mentioned above, sending the code by post forms part of CSB's reasonable security procedures.

CSB sent the authentication code automatically on 16 December via a third-party supplier. CSB's records show this was when it had the information to verify Mr I's changes. It follows that 16 December was the first date on which CSB's security process had been completed and is to be followed by dispatch via second class post. The investigator said Mr I should have received the code by 23 December at the latest. I agree and so 23 December 2025 is the right start date for the calculation of interest lost by Mr I during the delay which followed.

Mr I didn't receive the code and chased this up. CSB's agent advised him he could expect to receive it by 27 December at the latest. However, it wasn't received and Mr I called on 27 December to confirm this. Mr I was told by CSB on 5 January that a new authentication code had been issued on 2 January 2026, but again this was not received. The parties explored the possibility of overriding the authentication code, but this was outside of CSB's security process and unnecessary had it sent the code to Mr I when promised.

Both parties have stated that following further chasing from Mr I the code was eventually received and the issue resolved on 12 February 2026. Mr I has shown that he completed his transactions on 13 February 2026.

This was a significant and unacceptable delay on Mr I's ability to access his funds and make investment decisions and placed an unacceptable burden on him to pursue CSB for the code he had been promised on several occasions. Mr I was misinformed by CSB on different occasions during the security process. And although CSB is unable to control the date the code was delivered to Mr I the delay caused Mr I distress and inconvenience. All-in-all I agree with Mr I that there have been prolonged delays, and conflicting and incomplete information provided by CSB.

Mr I is unhappy with how CSB dealt with his complaint, and says the compensation offered should be increased in part because of the time he has taken to prepare his complaint. The investigator has explained that complaint handling falls outside of the matters that we are allowed to investigate and we do not award compensation for bringing a complaint.

In conclusion, although I have seen that CSB followed its stated security procedures, it did so with poor service to Mr I. CSB provided Mr I with inconsistent information between its letter of 8 December and call on 15 December. CSB apologised that it had told Mr I the code would be received by 27 December 2025. Mr I was incorrectly advised he could use the code on 4 February but had to wait until 13 February 2026 to withdraw funds.

### **Putting things right**

Having considered Mr I's helpful information about the impact all this has had on his mental health I share the view of the investigator that a fair and reasonable reflection of the impact is achieved by payment of the £200 compensation. This is consistent with awards we have seen in similar circumstances.

Mr I has shown that he opened an account with another provider on 5 December 2025 at an interest rate of 4.42% gross. CSB confirmed the interest rate on Mr I's account is 3.83% gross. Consequently, I agree with the investigator that CSB should pay the difference in rates between the providers from 23 December 2025 until 13 February 2026, when the funds were transferred out. This is the period of delay when Mr I was unable to access and earn interest on his funds.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require Charter Court Financial Services Limited, trading as Charter Savings Bank to pay Mr I a total of £200 compensation for the distress and inconvenience it has caused him. It may deduct any sums already paid in this respect.

I also require Charter Court Financial Services Limited, trading as Charter Savings Bank to pay Mr I for the loss of interest between the rates of 4.42% gross, and 3.83% gross. This should be paid for the period of delay from 23 December 2025 to 13 February 2026.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 30 April 2026.

Andrew Fraser  
**Ombudsman**