

complaint

Ms S complained because Clydesdale Bank Plc didn't pay her a £250 incentive for switching current accounts.

background

Clydesdale offered an incentive to customers who switched their current account to it. Ms S applied for the account online and was asked to send further identification documents. She said she uploaded these and that she received a "sent successful" message. She also spoke to one of Clydesdale's agents who confirmed that the documents had been received.

Ms S later contacted Clydesdale as she hadn't received the incentive payment. Clydesdale told her this was because it hadn't received the documents it had asked for, which meant the application had expired. Clydesdale told Ms S that she'd need to make a new application; but it couldn't guarantee that she'd be eligible for the incentive because the offer had now expired. It did however offer Ms S £100 compensation as its agent had wrongly told her that the documents had been received.

When it formally responded to Ms S's complaint, Clydesdale said that she didn't meet the eligibility criteria for the account. There was no reference to the missing documents.

When it sent us its file, Clydesdale confirmed that the documents had in fact been received all along. It said Ms S's application had been rejected due to a warning on CIFAS – a fraud prevention agency. It further clarified that the £100 payment was made by the complaint handler because he'd incorrectly told Ms S that the documents hadn't been received.

Our investigator didn't think the complaint should be upheld. He said that banks could choose who they opened accounts for. In this instance he said Clydesdale didn't think Ms S was eligible for the account as she hadn't passed the necessary identification checks. So he didn't think Clydesdale had acted unreasonably in not opening the account. Our investigator also thought the £100 Clydesdale had offered was suitable compensation for the impact its handling the matter had had on her.

Ms S disagreed. She said Clydesdale hadn't told her about the CIFAS marker, and had told her that it would open an account without giving her the incentive payment.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There are essentially two issues to this complaint – the fact Clydesdale didn't open the account and pay the incentive; and Clydesdale's communication to Ms S.

incentive payment

Ultimately it's Clydesdale's commercial decision whether to open an account for someone. I will only interfere with that judgement if I think Clydesdale treated someone unfairly by not offering them an account.

In this case, Clydesdale had some concerns about Ms S's identity due to a marker that had been placed on CIFAS. When the additional documents were received Clydesdale's concern remained as the name on Ms S's driver's licence was different (albeit slightly) to the name on the application form. Because of this, one of the eligibility criteria for having the account – ie proving your identity – hadn't been met. So Clydesdale declined the application.

With that in mind, I conclude that Clydesdale fairly exercised its commercial right to not offer Ms S an account. Although that meant she couldn't benefit from the incentive offer, there aren't any grounds for me to ask Clydesdale to pay any compensation.

I've considered Ms S's comments about Clydesdale later telling her that it would open an account but without the £250 incentive payment. It's not clear to me when Clydesdale told Ms S this as she was vague on the dates. I have listened to a conversation where Ms S was offered the chance to re-apply for the account (which isn't the same as Clydesdale accepting the application) but it couldn't guarantee the incentive payment. I've also listened to a conversation where Ms S referred to speaking to someone previously who offered to set an account up for her over the phone. But those conversations took place at a time when Clydesdale believed that original documents it had asked for hadn't been received. In other words, they were before any issues over eligibility were realised.

In any event, given the circumstances of the original application, I don't think Clydesdale offering to set up an account at a later stage means that the original decision to not open an account was unfair.

communication

Clydesdale's communication with Ms S about the account application and the reason for it being rejected hasn't been clear:

- on at least two occasions Clydesdale told Ms S that it had received the documents
- subsequent to that, on at least three occasions Clydesdale told Ms S that it hadn't received the documents
- Clydesdale then confirmed that the documents had in fact been received all along

and

- Clydesdale told Ms S that the application hadn't been accepted because the documents hadn't been received
- it then told her it was because she wasn't eligible for the account.

Clydesdale also hasn't been clear on what the £100 payment was for:

- it originally said it was because the previous advisor had incorrectly told her that the documents *had* been received
- it later said it was because it incorrectly told her the documents *hadn't* been received.

I think this miscommunication has caused Ms S unnecessary distress and inconvenience. But I'm satisfied the £100 that Clydesdale offered is suitable compensation for this. It's in the vicinity of what I would have awarded had there been no offer made. So I conclude that there aren't any grounds for me to make Clydesdale pay any more.

my final decision

For the reasons outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 19 July 2018.

Paul Daniel
ombudsman