

The complaint

Mrs O is unhappy about the charges applied to her accounts by AIB Group (UK) Plc ("AIB"). She says the charges caused her financial hardship.

What happened

Mrs O held an account with AIB with an overdraft facility. The account was closed in February 2018 with a nil balance when Mrs O switched providers.

Mrs O complained to AIB regarding the charges applied to her accounts dating back to when they were opened. AIB says that all charges were properly charged and were not excessive.

AIB confirmed the only account Mrs O was charged for was her current account and that she was only charged for when the account wasn't in credit. This being the case Mrs O's current account is the only account that is being looked at regarding her complaint.

One of our adjudicators looked into Mrs O's concerns and reached the conclusion AIB hadn't done anything wrong or treated Mrs O unfairly and so didn't recommend the complaint be upheld. Mrs O disagreed and so the complaint was passed to an ombudsman for a final decision.

Why I think we can only look at part of your complaint

The rules applying to this service say that, I can't look at a complaint made more than six years after the event being complained about – or (if later) more than three years after the complainant was aware, or ought reasonably to have been aware, of cause for complaint. This is Dispute Resolution rule 2.8.2R(2) – which can be found online in the Financial Conduct Authority's handbook.

Mrs O raised her complaint in March 2021 in relation to bank charges dating back to when the account opened. Six years before she raised his complaint is March 2015. And as Mrs O would've been notified of any charges being applied to her account around the time they were being applied I think Mrs O ought to have known enough to decide whether the charges AIB applied were unfair or causing financial difficulty. So, I don't think that three years from when she ought to be reasonably aware she had reason to complain provides Mrs O with a longer period than the six year rule. So, I will only be looking at Mrs O's overdraft usage and the charges applied from March 2015.

I can still look into Mrs O's complaint about overdraft charges outside this time if I'm satisfied the failure to complain earlier was due to exceptional circumstances. But as Mrs O hasn't made us aware of any exceptional circumstances that apply this means I am unable to look at the charges applied to Mrs O's account before March 2015.

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.

Having considered everything provided, I've decided not to uphold Mrs O's complaint. I'll explain why in a little more detail.

Mrs O has complained about the fees applied to her account when she says she was in financial difficulty. Just to be clear I haven't considered whether the various amounts AIB charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided – as how much a bank charges for services is a commercial decision and not something we get involved with.

That said, while I'm not looking at AIB's various charging structures per se, it won't have acted fairly and reasonably towards Mrs O if it applied any interest, fees and charges to Mrs O's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Mrs O was experiencing financial difficulty.

So I've considered whether there were instances where AIB didn't treat Mrs O fairly and reasonably. I don't think that AIB did treat Mrs O unfairly or unreasonably here though. I say this because having a detailed look at Mrs O's statements from March 2015 until the account closed when Mrs O switched providers in February 2018, I don't think there was anything to suggest that AIB ought to have realised she might have been experiencing financial difficulty or that her overdraft wasn't sustainable.

Whilst I accept that Mrs O used her overdraft for the period between March and September 2015 and had some returned direct debits, following this her financial situation improved and she was able to see and maintain a credit balance for some months. And following this - until Mrs O closed her account - she once again used her overdraft but regularly saw a credit balance and mere use of an overdraft facility isn't necessarily a sign that someone is having financial difficulties or enough – I think – to say that AIB ought to have stepped in and offered assistance. Indeed, what would be the point in having such a facility if it couldn't be used.

So, in these circumstances I don't think that it was unreasonable for AIB to proceed with adding the interest, fees and charges it did in light of how Mrs O's account was being used.

Overall and having considered everything, I don't think that AIB treated Mrs O unfairly or unreasonably and this means that I'm not upholding this complaint.

My final decision

For the reasons I've explained, I'm not upholding Mrs O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 5 October 2023.

Caroline Davies
Ombudsman