

The complaint

Mrs C is unhappy the service she's received from Sainsbury's Bank Plc surrounding a balance transfer she instructed.

What happened

Mrs C successfully applied for a Sainsbury's credit card and instructed a balance transfer from her new Sainsbury's credit card to another credit card she held with another provider.

Several weeks later, Mrs C contacted Sainsbury's because the balance transfer she'd instructed hadn't been received into her other credit account, even though it was showing as having left her Sainsbury's account. Sainsbury's asked Mrs C to confirm the card details she instructed the transfer to, but Mrs C assured Sainsbury's that the transfer had been instructed correctly. And because Sainsbury's could confirm that the transfer had been processed to the card details provided by Mrs C, they referred Mrs C to the recipient credit provider for her to ask them to search for the funds that they'd received from Sainsbury's.

Approximately three weeks later, Mrs C contacted Sainsbury's again, with the money still having not been received into her other account, and asked Sainsbury's to trace the sent funds. At this time, Sainsbury's incorrectly told Mrs C that the transfer had never been processed by them, so Mrs C instructed the balance transfer again and raised a complaint.

Sainsbury's looked at Mrs C's complaint but couldn't respond to it within a reasonable timeframe because the process to locate the initially sent funds hadn't completed. But Sainsbury's did provide a temporary credit to Mrs C's account equal to the amount of the transfer so that Mrs C wouldn't incur interest charges or pay unfair minimal payments on the disputed balance. And they also notified Mrs C of her right to refer her complaint to this service, which Mrs C did.

One of our investigators liaised with Mrs C and Sainsbury's about this complaint. During their review, Sainsbury's explained that when Mrs C had instructed the second balance transfer as a repeat of the first – having been incorrectly told by them that the first transfer hadn't been processed – she'd provided different recipient card details to that given by her for the initial transfer. As such, Sainsbury's felt Mrs C had instructed the first transfer incorrectly. But Sainsbury's did accept that they had given Mrs C incorrect information about the first transfer not being processed by them when she'd chased the missing balance with them.

Our investigator felt that Sainsbury's assertion that Mrs C had instructed the first transfer incorrectly was persuasive and so didn't uphold that aspect of Mrs C's complaint. But they did feel that Sainsbury's incorrectly telling Mrs C that the initial transfer hadn't been completed by them had caused some frustration and trouble for Mrs C which shouldn't reasonably have been the case. Because of this, our investigator recommended that this complaint be upheld in Mrs C's favour on that limited basis and that Sainsbury's should make a compensation payment to Mrs C of £75. Mrs C didn't agree that she'd instructed the initial transfer incorrectly, so the matter was escalated to an ombudsman for a final decision.

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 done so, I feel that the key factor of this complaint is whether Mrs C instructed the initial balance transfer correctly or not. Mrs C believes that she did instruct the transfer correctly. But when she was presented with the recipient card number that Sainsbury's processed the initial transfer too, she confirmed that it wasn't the correct number.

Mrs C feels that Sainsbury's processed the transfer to an incorrect recipient. But Sainsbury's have explained that they processed the transfer to the recipient card details provided to them by Mrs C and have provided a screenshot of their system which takes the recipient card details directly from their customer inputs.

I find Sainsbury's position to be the more persuasive here, because I'm satisfied that Sainsbury's have been able demonstrate that they processed the initial transfer to the card details provided by Mrs C. And I also feel that it's considerably less likely that Sainsbury's system would generate an incorrect recipient card number in this one instance rather than what I feel is the more plausible alternative that Mrs C keyed in the wrong card number.

Because of this, I don't feel that Sainsbury's should be considered accountable for any of the consequences of the initial transfer not completing correctly. Instead, I feel that what most likely happened is that the initial transfer didn't complete correctly because of an error made by Mrs C. And it follows from this that I won't be upholding this aspect of Mrs C's complaint.

However, when Mrs C was chasing this matter with Sainsburys, she was incorrectly told on one occasion that the initial transfer had never been processed. This led to Mrs C instructing the transfer again, this time to the correct recipient card, but also caused an understandable degree of frustration and angst that reasonably shouldn't have been the case.

As such, I'll be upholding this complaint against Sainsbury's on this limited basis only and instructing Sainsbury's to make a payment of £75 to Mrs C as compensation for the trouble and upset she incurred because of this provision of incorrect information.

In arriving at this amount, I've considered the impact of the provision of this incorrect information on Mrs C. But I'm also mindful that I feel that the upset and inconvenience Mrs C had experienced up to that time, and largely beyond that time, relates to the missing transfer balance which I feel that Mrs C herself was accountable for. As such, I feel that the amount of worry and trouble that Mrs C experienced solely because of this provision of incorrect information by Sainsbury's was relatively minor, and that therefore £75 compensation for that worry and trouble is a fair amount.

I realise this might not be the outcome Mrs C was wanting. But I hope she'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Sainsbury's must make a payment of £75 to Mrs C.

My final decision

My final decision is that I uphold this complaint against Sainsbury's Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 September 2023.

Paul Cooper
Ombudsman