

## **The complaint**

A company which I'll refer to as L complains that ClearBank Limited (ClearBank) have failed properly to compensate it for their delay returning to L funds that in error had been transferred to the bank.

In bringing this complaint, L is represented by its director who I'll refer to as Ms T.

## **What happened**

- In May 2023 Ms T contacted ClearBank by email to report that she'd accidentally transferred £100 to L's account.
- Ms T told the bank she needed to retrieve the funds urgently. She said she no longer had the relevant banking App and had lost the card to operate the account, so she needed help to do so. Ms T asked the bank to contact her as soon as possible.
- There then followed a number of exchanges of e-mails and phone calls between Ms T and ClearBank in an attempt to reconnect Ms T to on-line banking. But the process proved problematic because Ms T faced various difficulties passing the bank's verification checks. Also, there seemed to be software issues relating to Ms T's mobile phone which exacerbated those difficulties.
- Ms T therefore complained to the bank about the delay. And after looking into the matter, in July 2023 ClearBank returned the funds to L.
- ClearBank acknowledged that there had been a severe and unjustified delay on their part as well as poor service by their Technical Team. So, ClearBank offered Ms T £75 by way of compensation.
- Ms T, however, didn't think the £75 compensation the bank had offered went far enough. She believed she was entitled to three times that amount, multiplied by the number of weeks it took the bank to return the funds.

The bank disagreed and as the complaint remained unresolved, Ms T referred it to this service.

Our investigator concluded that the bank's offer was fair and reasonable. She said as L was the eligible complainant, she could only look at the impact of the delay on it rather than Ms T. And when viewed from the perspective of L – the company, she didn't think the impact of the delay was significant and therefore merited an increase in compensation.

Ms T disagreed with the investigator's conclusions and has responded with further detailed submissions on behalf of L. But I note those submissions largely expanded on the arguments Ms T made originally about ClearBank's poor service and its impact on her.

## **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.

It isn't disputed that there was delay in ClearBank returning the funds to L. So, the issue for me to consider is really what is fair compensation for L as a result of this delay.

I accept Ms T's testimony that she spent a considerable amount of time trying to resolve this issue. And, in relation to the identity verification process for accessing the on-line banking service for example, I note her frustration that despite doing all that was asked of her, she was still unable to do so.

I thank Ms T also for setting out so clearly and comprehensively the personal impact of the delay. She explained for instance how personally stressful these events were for her, not least because the funds were the only ones she had to live on for food and other essential amenities. She explained that she had therefore to borrow money to help her out in the short term.

I was sorry to hear also these events took place against the background of the sad death of a member of Ms T's family. She explained that meant the bank's delay and poor service exacerbated her stress level to the point where her mental and physical health were impacted. Against that background it is understandable Ms T should feel the bank's offer of £75 falls considerably short of the amount she thinks is reasonable.

But I have to bear in mind that this is a complaint that has been brought on behalf of L. I appreciate Ms T believes it is irrelevant whether ClearBank's poor service impacted her personally or L.

But it's worth mentioning that L is its own legal entity and is separate from Ms T. And, unlike Ms T, as a limited company L can't suffer distress, meaning in the circumstances of this case it is only a matter of deciding fair compensation for the inconvenience caused to L by the delays in returning the funds. And I've not been persuaded that L was significantly impacted. Especially in light of my understanding that it hadn't yet been fully up and running and established.

I'm satisfied therefore that £75 compensation ClearBank have offered is fair and reasonable in this case.

## **My final decision**

My final decision is I uphold this complaint and require ClearBank Limited to pay L £75 in full and final settlement of this case.

This should be provided to L, if it hasn't been already. I don't require ClearBank Limited to do anything more than this, in respect of L's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 23 October 2023.

Asher Gordon  
**Ombudsman**