

The complaint

In summary, Mr E complains that he was given incorrect information by Citibank UK Limited, when he enquired about a payment he was expecting to be made into the bank account he has with it.

In particular, he says he was told the problem was with the payer of the money, he was then told the money had been received and checks were being carried out in respect of the payment. He wasn't told what checks were being carried out and he thinks the entry in respect of the payment on his statement had been doctored; and the timing of correspondence made no sense.

He says Citibank's mistakes delayed the payment being credited to his account. He also said he had been put to considerable inconvenience because of the mistakes it made.

What happened

On 24 August 2022 a third party sent an electronic payment of £1,000 to Mr E's bank account with Citibank. Mr E contacted Citibank on 25 August 2022 as the funds had not credited to his account, and he provided it with information supplied by the payer, which showed that the payment had been made to Citibank.

Over the course of the next two weeks, Mr E was given different information about what had happened to the payment. Mr E had multiple conversations with Citibank trying to find out what had happened to the payment he was expecting.

One of our investigators looked into Mr E's concerns. He said that Citibank was entitled to carry out further checks on the incoming transfer. But he didn't think it should have advised Mr E to obtain further information from the third party. He recommended £100 be paid to Mr E for the inconvenience he had incurred.

Mr E didn't agree with what the investigator said. He didn't think the investigator had correctly understood his complaint. The investigator then asked Citibank for the calls it had with Mr E. Citibank provided the calls, but they couldn't be accessed by this Service. Transcripts of the calls were then provided by Citibank.

The case was passed to me to review. I asked the investigator to request further information from Mr E and Citibank. Mr E didn't want any further dialogue with the investigator but was happy to speak to an ombudsman.

I issued a provisional decision explaining why I thought Citibank hadn't provided Mr E with correct information, and why I thought the compensation the investigator had suggested wasn't enough. Citibank accepted my decision, but Mr E thought a further amount was warranted due to the inconvenience and time he had incurred dealing with the investigator.

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've decided to uphold Mr E's complaint. I'll explain why.

In reaching my findings, I haven't commented on every point of concern Mr E has raised. I don't intend to offend him by not doing so or mean any disrespect in taking this approach. This reflects the informal nature of this service. Instead, I've focussed on the key issues I think I need to consider, in deciding on whether Citibank did anything wrong.

I'm satisfied from the information I've seen that a payment was sent to Mr E on 24 August 2022. In its initial response to Mr E's complaint, Citibank told him that it hadn't made an error. It said that it carried out checks on incoming and outgoing transfers and that its turnaround time for completion of those was two to three business days but could take longer. It said the payment was successfully completed by it on 24 August 2022.

In its response to my information request, Citibank said that the payment wasn't held up for further review and that Mr E had been incorrectly informed about that. Its payment team had advised that the delay was due to an unexpected technical issue regarding incoming CHAPS payments which were being received without account numbers. This had caused delays in payments crediting beneficiary accounts.

So, contrary to what Citibank told Mr E in its final response, it didn't carry out checks in respect of the payment. Citibank also told Mr E in that response, that the payment was successfully completed on 24 August 2022. That again appears to be incorrect information. I say this because when it was asked to explain the different dates on the statement entries that Mr E has expressed concerns about, it said the value date of 24 August 2022, was the date the payment was initiated, and the date of 9 September 2022 was the date the funds were credited to Mr E's account.

I think the impression Citibank gave Mr E, was that the funds were credited to his account on 24 August 2022, when they weren't credited to his account until 9 September 2022 – over two weeks after it told him the funds had been credited to his account. And it wasn't until 14 September 2022, that it says it told Mr E of the correct reason for the delay. It was only after Mr E lodged another complaint that Citibank issued another final response on 23 September 2022, offering him £100 compensation.

I can also see that during this period Mr E called Citibank on several occasions to find out what had happened to his payment. The call transcripts and contact records Citibank has provided, indicate that Mr E had to chase Citibank during this time period to find out what was happening. So, I think it's very likely that Mr E found all of this very frustrating as he has said it was. And I'm satisfied therefore that Citibank's mistakes and the incorrect information it provided to Mr E, caused him unnecessary distress and inconvenience.

I think it's appropriate therefore that Citibank should pay Mr E compensation for the distress and inconvenience that he's been caused. I've considered what Mr E has said about what he thinks should be an appropriate compensation figure. And I've noted that he thinks an additional £50 should be paid for every continuing failing that he thinks Citibank has made.

In considering an award for distress and inconvenience, I need to think about the impact on Mr E of the mistakes made by Citibank. I also need to explain that I don't have the authority to make any punitive award against Citibank. The rules under which I operate simply don't provide for me to make such an award.

Mr E has said in his response to my provisional decision, that further compensation should be paid due to the time and inconvenience he has incurred in dealing with the investigator. That isn't something I can comment on or consider in respect of the complaint made about Citibank. I can only consider what has happened in an individual case. And I can only make an award that recognises the impact on Mr E of the mistakes made by Citibank.

I understand that Mr E thinks Citibank's actions led to a breakdown in his relationship with the third-party payer. However, I don't have enough information to make such a finding. And I can't hold Citibank responsible for Mr E's discussions with the third party.

The delay in the payment being credited to Mr E's account amounted to approximately two weeks, which whilst I accept was two weeks longer than it should have been, was a relatively short delay. I also accept that Mr E was put to the inconvenience of having to chase this matter up with Citibank. Realistically in addressing issues such as those experienced by Mr E in this case, there is always going to be certain amount of frustration and inconvenience.

I do think however that in this case, Mr E provided Citibank with evidence to show that the payment had been made with the details of his account and the payer's account details. The amount that had been sent was a relatively large sum. I can understand therefore that Mr E may have been more concerned and frustrated by the lack of information and incorrect information that he received from Citibank, when trying to find out what had happened to the payment; than if he had been chasing a smaller payment.

Deciding on the amount of an award of compensation for distress and inconvenience is not an exact science. But I do think Citibank compounded what was already a difficult situation for Mr E by providing him with incorrect information about what had happened. As a result, for the reasons I've explained above, I don't think the offer it has made adequately reflects the impact on Mr E of its mistakes. I remain of the opinion that a figure of £250 is an appropriate figure to compensate Mr E for the distress and inconvenience he has been caused by Citibank's mistakes.

My final decision

For the reasons I've set out above, I uphold Mr E's complaint. If Mr E accepts my decision, Citibank UK Limited should pay him £250 compensation for the distress and inconvenience he has incurred. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 December 2023.

Simon Dibble
Ombudsman