

The complaint

Mr H complains about delays following an application to open a credit card with Sainsbury's Bank Plc to complete a balance transfer.

What happened

Mr H applied for a credit card with Sainsbury's Bank on 22 November 2022 with the aim of completing a 0% balance transfer. The application was referred by Sainsbury's Bank for additional checks and wasn't approved until 11 January 2023. During that time, Mr H incurred interest payments with his existing credit card providers.

During the application process, Mr H says he regularly contacted Sainsbury's Bank for updates and to try and move the process along. Mr H has explained there were long wait times and that the service provided was poor.

On 11 January 2022 Sainsbury's Bank fully activated Mr H's credit card and he was able to subsequently transfer balances from other businesses.

Mr H complained and Sainsbury's Bank issued a final response on 30 January 2023. Sainsbury's Bank said the application had been processed in November 2022 and a PIN issued to Mr H but that the process of sending the card had been delayed whilst a review of the account was completed. Sainsbury's Bank added that after Mr H received the card he was unable to register for online banking or use the account because the review was ongoing. Sainsbury's Bank added that Mr H was able to register for online banking on 12 January 2023 and complete the balance transfer process.

Sainsbury's Bank apologised for the delay and offered Mr H £200 for the distress and inconvenience caused. Sainsbury's Bank also agreed to cover the interest payments Mr H had incurred on receipt of statements to show his loss.

Mr H referred his complaint to this service and it was reviewed by an investigator. The investigator thought Sainsbury's Bank had made a fair offer to resolve Mr H's complaint and didn't ask it to take any further action. Mr H asked to appeal and requested a refund of the balance transfer fee he paid of £52.25 and a higher award for the distress and inconvenience caused. As Mr H asked to appeal, his complaint has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr H was frustrated by the lack of progress with his credit card application and can see he ultimately incurred interest with his other providers as a result. Sainsbury's Bank has explained Mr H's application was automatically referred for a review by its systems. Sainsbury's Bank added that it reviews referrals of this nature in date order but accepted that had impacted how long it took to complete Mr H's application. I appreciate Mr H's sense of frustration at the lack of progress, but businesses are free to assess applications in line with their processes. And I'm satisfied Sainsbury's Bank has confirmed it needed to complete a review of Mr H's application before it could complete it.

Whilst I'm unable to agree Sainsbury's Bank acted unfairly by carrying out additional checks, I can understand why Mr H found the process longwinded and inconvenient. And it appears Mr H's calls weren't handled as well as they could've been at times and that he found contact with Sainsbury's Bank to be difficult. Given the time taken to complete the review and service provided, I agree it's fair for Sainsbury's Bank to recognise Mr H's inconvenience.

Mr H has explained he incurred interest as a result of the delay. But Sainsbury's Bank has already confirmed its willing to cover that cost to Mr H. If he hasn't done so already, Mr H can forward the statement evidence to Sainsbury's Bank directly or our investigator so the refund of interest can be paid. As Sainsbury's Bank has agreed to cover Mr H's costs, there has been no loss to him as a result of the delay with his application. I'm satisfied Sainsbury's Bank's offer to cover Mr H's interest is fair.

Mr H requested a refund of the balance transfer fee which was £52.25. But our approach to compensation is to try and place the consumer back into the position they would have been in had no errors been made. Here, the balance transfer fee forms part of Mr H's credit agreement with Sainsbury's Bank and would always have been payable. So I'm unable to agree waiving or refunding the balance transfer fee is a fair way to resolve Mr H's complaint.

I've considered the distress and inconvenience caused to Mr H during the application process. I agree the process took longer than normal and can understand Mr H's growing frustration. And I understand Mr H found contacting Sainsbury's Bank to be frustrating and the service provided to be poor. I've considered everything Mr H has told us about the impact of the issues raised. Whilst I understand my decision is likely to disappoint Mr H, I'm satisfied the offer of £200 is a fair reflection of the distress and inconvenience caused during the application and delays experienced. To put it another way, £200 is very much in line with what I would've told Sainsbury's Bank to pay, had no offer been made already.

As I'm satisfied Sainsbury's Bank has already agreed a settlement that is fair and reasonable in all the circumstances, I'm not telling it to increase the award.

My final decision

My decision is that Sainsbury's Bank Plc has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 September 2023.

Marco Manente
Ombudsman

