

The complaint

Mr I complains that Sainsburys Bank Plc charged him balance transfer fees in circumstances where it wasn't made clear from which date the 3 months 0% balance transfer fee promotion applied.

What happened

On 16 December 2022 Mr I applied for a credit card with Sainsburys. Mr I received the card on 29 December 2022 and activated it online. He then applied for two balance transfers.

On 28 March 2023 Mr I applied for two more balance transfers. A few days later he realised that he'd been charged balance transfer fees on the second set of transfers.

Mr I contacted Sainsburys to query this and was advised that the promotional rate had expired on 16 March 2023.

Mr I complained to Sainsburys. He said there was nothing in the terms and conditions which specified that the 0% transfer fee promotion applied for 3 months from the date when the account was opened, but instead it just stated "within 3 months". Mr I said he had assumed that the 3 months would run from the date he activated his card.

In its final response, Sainsburys said the promotional offer meant that Mr I could process balance transfers free for the first 3 months of opening the account. It said it was sorry if Mr I didn't think this was clear in his credit agreement.

Mr I remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said he was satisfied that Sainsburys had fairly applied the balance transfer fees. The investigator said that whilst he acknowledged that Mr I didn't think the terms and conditions were clear, he was satisfied that the offer of 0% fee on transfers made in the first 3 months reasonably meant from the account opening date, and not from the card activation date.

Mr I didn't agree. He said the terms and conditions referred to "3 months from account opening" in the clauses relating to interest on purchases but failed to state "from account opening" in the clause relating to balance transfer fees. Mr I said this was confusing and misleading.

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've reviewed the credit agreement and the terms and conditions of the account. These documents were presented to Mr I when he applied to open the account on 16 December 2022. Mr I electronically signed the terms and conditions and by doing so, indicated his acceptance of them.

The credit agreement states (at page 15) as follows:

“0.00% fee applies on transfers made within your first 3 months (minimum £3). The charge will depend on your current offer thereafter – you can find out what this is by calling us”

Sainsburys has stated that the 3 month period commences when the terms are agreed to and the account is opened, which in this case was 16 December 2022. This meant that Mr I had until 16 March 2023 to complete any balance transfer if he wanted to benefit from the 0% fee.

I can see that Mr I completed two transfers on 29 December 2022. These were subject to the 0% transfer fee. I can also see that Mr I completed two transfers on 27 January 2023 and a further transfer on 27 February 2023. Again, these transfers were subject to the 0% fee. Mr I then completed two further transfers on 27 March 2023. It was these last two transfers which attracted a 3% fee.

I've carefully considered all the available information. I appreciate that Mr I doesn't think the information was clear. However, on my reading of the credit agreement, I'm satisfied that the sentence I've set out in italics above reasonably means from the account opening date, not from the card activation date.

Mr I has made the point that the terms and conditions explicitly state “3 months from account opening” in relation to other matter such as interest on purchases. I understand the point that Mr I makes here but I don't think there's anything in the terms and conditions which suggest that the 0% balance transfer promotion applies from the date when the account is activated (as opposed to the date when the account is opened). And in circumstances where clauses relating to other matters such as interest on purchases refer to “3 months from account opening”, I think Mr I ought reasonably to have been aware that this was likely to apply to the balance transfer fee promotion as well.

Taking everything into account, I'm unable to say that Sainsburys has made an error by applying a balance transfer fee to the last two balance transfers. Because of this I won't be asking Sainsburys to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 8 February 2024.

Emma Davy
Ombudsman