

The complaint

Miss B complains that Family Equity Plan Limited (trading as OneFamily) paid the proceeds of her child trust fund to the wrong bank account. This means she's lost out on this money.

What happened

On 14 March 2022 Miss B submitted withdrawal instructions for the maturity proceeds of a child trust fund for which she was the beneficiary.

The instructions she provided contained an account number and sort code, and she provided her name as the account holder. On the same day, shortly after submitting her instructions, she received a secure message from OneFamily confirming the instructions and the account details which Miss B had provided. Two days later she received a further message confirming that the money was on its way to her and she would receive it within 4 to 5 working days.

On 6 April 2022 Miss B called OneFamily and said that she hadn't received the funds, and said that the details on the instructions form weren't correct. OneFamily attempted to trace the funds – there was a slight delay in doing this initially, but eventually OneFamily was told by the receiving bank that the money had been received in an account in the same name as Miss B and could no longer be returned. OneFamily offered Miss B £150 as a gesture of goodwill to compensate for the slight delay in tracing her funds initially, but Miss B declined and complained.

One of our investigators looked into Miss B's complaint, but didn't think it should be upheld. In short, she said she couldn't hold OneFamily responsible for what Miss B said were the incorrect details on the instruction form, as those were the details Miss B provided.

Miss B didn't agree. She said she didn't provide those details, and now she's missed out on money that had been put away for her since she was born. She did not accept OneFamily's offer of compensation and maintained that 'they have paid the money to the wrong account, and they are the ones in the wrong'.

As agreement couldn't be reached, the case was passed to me to decide.

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 agree with the investigator's conclusions and for broadly the same reasons.

I understand Miss B's strength of feeling, and I acknowledge she believes OneFamily is in

the wrong. However, the evidence I've seen shows that OneFamily did not make any mistakes and paid the money in line with the instructions it received.

Miss B says she didn't provide the bank details which OneFamily used to send the proceeds of her child trust fund. But the form I've seen and which she completed has those details on there. So the only evidence I have shows that the withdrawal form she filled in has bank details that OneFamily then used to pay the proceeds. Furthermore, OneFamily has said that the bank details which Miss B disputes she provided were matched to an account in her name – so there was no opportunity for OneFamily to discover there was any problem with the payment until Miss B raised it some weeks after the payment was made.

Miss B, on the other hand, had two opportunities to query the payment. The first was the same day she provided her instructions, when OneFamily messaged her to confirm the details where the money would be sent to. I know she received this message because she supplied us with a copy of it. This was an important confirmation, as the payment had not yet been made and could've been stopped. I've seen no evidence that Miss B contacted OneFamily or took any action following that message.

And then Miss B had a further opportunity when she was told, on 16 March, that the payment would be made to her within 5 working days. When Miss B didn't receive the money by 23 March 2022, she could've raised her concerns at that point. Had she done this, it's possible that OneFamily's trace and request for return of the funds may have had more chances of success. Instead Miss B didn't contact OneFamily until two weeks after she should've received the money. I can see that once she did this, OneFamily did what it could to try and trace the money for Miss B. Whilst I can see there was a minor delay between 26 May 2022 and 1 June 2022 when OneFamily needed to resubmit the trace, I'm not persuaded this delay had any impact on Miss B's case. And so, to be clear, I'm not awarding any compensation for that.

Given these circumstances, I'm not persuaded it would be fair and reasonable to hold OneFamily responsible for what's happened. I'm satisfied it acted on Miss B's instructions, and remitted the payment to the account details it was given. It followed its process by confirming Miss B's instructions, including the account details that were to be used, and I'm satisfied Miss B received this communication. Once Miss B made it aware that she had not received the money, I'm satisfied it took appropriate actions to try and recover it for her, but to no avail.

I acknowledge my decision will be disappointing for Miss B, but I hope she can understand the reasons I've given for making it.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 August 2023.

Alessandro Pulzone

Ombudsman