

The complaint

Mr W complains that Shawbrook Bank Limited withdrew £1,000 from his fixed rate bond without permission.

What happened

Mr W opened a two year fixed rate bond with Shawbrook on 23 December 2022. Mr W made arrangements for his existing savings provider (H) to transfer £85,000 to Shawbrook. Mr W has explained that H made an error with the account number used when sending the funds to Shawbrook. On 11 January 2023 H sent a request for the funds to be sent back in full. Shawbrook didn't send the funds back and placed them into Mr W's new two year fixed rate bond.

On 25 January 2023 £1,000 was taken from Mr W's account by Shawbrook. Shawbrook says it took that step after its intermediary bank received notice from H that it had only meant to send £84,000 for Mr W on 23 December 2022.

Mr W went on to contact both Shawbrook and H to find out what had happened. Mr W complained to both. H responded and advised it hadn't made a request to recall £1,000 of the £85,000 Mr W asked it to send. And there was no evidence that £1,000 had been returned to accounts Mr W holds with H. Shawbrook said it had acted in line with instructions it received from H.

Mr W referred his complaints about both H and Shawbrook to this service and they were reviewed by an investigator. During the investigation into H's actions, the investigator asked it to confirm whether the recall request for £1,000 related to Mr W's account. H confirmed the recall request Shawbrook used to debit Mr W's account related to another customer and transfer it had sent.

The investigator reviewed Shawbrook's evidence but didn't think it had shown that funds were legitimately withdrawn from Mr W's account. The investigator asked Shawbrook to refund the £1,000 it took and recreate the account to refund any missed interest he would've received. They also asked Shawbrook to pay Mr W £300 for the distress and inconvenience caused.

Shawbrook asked to appeal and reiterated it had followed H's instruction to debit Mr W's account for £1,000. As Shawbrook asked to appeal, Mr W's case 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.

Shawbrook says it was acting on H's instructions when it took £1,000 from Mr W's bond on 25 January 2023. But in response to the investigator, Shawbrook sent copies of internal emails sent between staff. The emails say H first requested a full refund of £85,000 on 11 January 2023 which was declined. But Shawbrook says another request was received on 17 April 2023 asking for £1,000 be sent back to H. But that doesn't tally with the date of the actual withdrawal, which was around three months earlier on 25 January 2023.

I think it's fair to add that the investigator contacted H when reviewing Mr W's other complaint. And H specifically confirmed that the recall request Shawbrook says related to Mr W's fixed rate bond actually related to another customer and transfer.

I've reviewed all the evidence supplied by Shawbrook but haven't been able to draw the conclusion that it received an instruction to return £1,000 to H on Mr W's behalf in January 2023. I'm satisfied the information available shows Mr W has lost £1,000 as a result of the withdrawal Shawbrook made on 25 January 2023 and I think the fairest way to resolve his complaint is for the payment to be refunded. In addition, I agree with the investigator that Shawbrook should reapply the £1,000 as at 25 January 2023 and recreate Mr W's account to ensure he receives the interest payments that would've been paid on the full balance of £85,050.

I'm satisfied the issues raised have caused Mr W a lot of trouble and upset. It's clear Mr W has proactively tried to find out what happened to his money with both Shawbrook and H. And it's clear to me that the issues raised have taken a lot of Mr W's time and caused a reasonably level of distress and inconvenience. So, I'm also telling Shawbrook to pay Mr W £300 in recognition of the distress and inconvenience caused to Mr W.

My final decision

My decision is that I uphold Mr W's complaint and direct Shawbrook Bank Limited to settle as follows:

- Refund the £1,000 to Mr W's fixed rate bond as at 25 January 2023
- Recreate the account so that missed interest payments Mr W would've received on the full balance are paid to him
- Pay Mr W £300 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 November 2023.

Marco Manente
Ombudsman