

The complaint

Mr G complains that Sainsbury's Bank Plc made mistakes when completing a balance transfer to his credit card.

What happened

In October 2021 Mr G used Sainsbury's Bank's online system to process a balance transfer to his credit card. But Mr M says the calculator he used on Sainsbury's Bank's website didn't include the fees he'd incur. Once the balance transfer fees were applied, Mr M exceeded his credit limit.

Sainsbury's Bank took the step of removing Mr G's promotional interest rate. As a result, interest and charges began to accrue against the outstanding balance.

Mr G complained to Sainsbury's Bank and it apologised for what had happened. Sainsbury's Bank refunded the interest and charges Mr G incurred and reinstated the promotional balance. Sainsbury's Bank also paid Mr G £75 for the distress and inconvenience caused.

An investigator at this service looked at Mr G's complaint and upheld it. They said Sainsbury's Bank had taken reasonable steps to correct its mistake but thought it should increase the award for the trouble and upset caused from £75 to £175. Sainsbury's Bank asked to appeal, so Mr G's 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.

Sainsbury's Bank upheld Mr G's complaint and took steps to refund interest and charges and reinstate the promotional rate. That puts Mr G's account back into the correct position – as if no error had occurred.

Sainsbury's Bank offered Mr G £75 to reflect the distress and inconvenience caused by its actions. But our investigator thought a payment of £175 more fairly reflected how the errors had impacted Mr G. I agree with the investigator's view that £75 doesn't fairly recognise how the issues affected Mr G.

Mr G says he spent a lot of time on the phone trying to speak with Sainsbury's Bank. I can see from its contact notes that Sainsbury's Bank accepted there were long wait times when he tried to call. And I don't doubt Mr G's calls were reasonably long whilst Sainsbury's Bank tried to work out what'd happened. Mr G has told us he's self employed and I accept the time taken dealing with the issues raised was inconvenient for him.

I also think it's fair to say the issues caused Mr G a reasonable level of distress. It's clear Mr G was concerned about losing his promotional interest rate and the future costs he'd incur as a result. Mr G's also told us how concerned he was that an error by Sainsbury's Bank could've impacted his credit file. I note Sainsbury's Bank's final response makes no

mention of whether Mr G's credit file had been impacted or not. The case handler has told us that, during a call, Mr G was told there was no impact. But the call hasn't been provided. And it's clear Mr G was still very concerned about the impact of the way his balance transfer was handled on his credit file.

The investigator also asked Sainsbury's Bank to check Mr G's credit file wasn't affected by the issues raised and to confirm this in writing. I think that's fair. In addition, the investigator asked Sainsbury's Bank to confirm Mr G's promotional rates in writing. Sainsbury's Bank has confirmed the promotional rates are all noted on Mr G's monthly statements and gave the investigator a list to forward to Mr G. So I'm not telling Sainsbury's Bank to take further action in respect of setting out the promotional rates on Mr G's credit card. Going forward, Mr G can review monthly statements for that information.

In my view the figure of £175 more fairly reflects the level of distress and inconvenience caused to Mr G and the impact of the issues raised. As a result, I'm upholding Mr G's complaint and directing Sainsbury's Bank Plc to pay him a total of £175.

My final decision

My decision is that I uphold Mr G's complaint and direct Sainsbury's Bank Plc to pay settle as follows:

- Pay Mr G a total of £175 for the distress and inconvenience caused (less any compensation already paid)
- Confirm in writing to Mr G that his credit file hasn't been impacted by the issues raised

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 July 2022.

Marco Manente
Ombudsman