

The complaint

Mr W complains of a delay by StreamBank PLC in transferring monies from his savings account to his bank account.

What happened

Mr W gave notice to StreamBank for the closure of his 90 day account on 4 May 2023, to take place on 2 August 2023. StreamBank processed the payment at 11am on that day. However Mr W did not receive any payment into his bank account. He sent a message at around 12:30am on 3 August advising StreamBank of this. StreamBank responded at 8:45 the next morning. It explained the delay was caused by a technical fault between its banking platform and its clearing bank. The funds arrived in Mr W's account by 11 am.

StreamBank apologised for the problems caused. It said it had a procedure which would pick up non-completed payments each morning but appreciated that that would not have helped Mr W if he was expecting the transfer to be received the same day. As a result of his complaint StreamBank has revised its procedures and now non-completed payments will be picked up within the hour. It paid Mr W £50 compensation.

Mr W was not happy with this and felt that it did not adequately compensate him for the fear overnight that he had lost his life savings. He also felt that StreamBank delayed in dealing with his complaint.

On referral to the Financial Ombudsman Service, our Investigator thought that it was fair and reasonable for StreamBank to have paid £50 compensation.

Mr W didn't agree, and the matter has been passed to me for an Ombudsman's consideration.

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.

First of all, I can understand Mr W's anxiety as he had a substantial sum in the account. I see that the funds had left his account with StreamBank but not arrived in his bank account. Nevertheless if he expected funds to be received within two hours (as I believe he was informed), he might have received some reassurance from StreamBank if he'd contacted it before 12:30am the next morning. This might have saved him a sleepless night.

So, as the transfer was carried out in accordance with his instructions but was delayed, the two points to consider are whether StreamBank paid him a reasonable amount of compensation, and what it has done to prevent that sort of problem reoccurring. I understand from its notes that this was a problem it had not come across before.

We don't have a scale of awards of compensation, as every case must be judged on its merits. But, bearing in mind compensation awards we have made in similar cases, I think that £50 was a fair and reasonable amount to pay.

I've noted also that StreamBank have told us that it has now changed its procedures to make sure that customers are notified of any missed payment within the hour rather than next day as would have happened in Mr W's case.

I've considered StreamBank's complaints handling and it is true to say that most businesses find that these sorts of matters can be resolved swiftly over the telephone. Nevertheless Mr W wanted it to be dealt with by e-mail. His complaint was received on 4 August 2023 and after exchanges of emails, a final response was sent on 23 August. I appreciate that Mr W was anxious to get the matter resolved, but I don't think there were any particular delays on StreamBank's part in dealing with his complaint.

Lastly I understand that Mr W is seeking compensation for lost interest. I'm not persuaded that he lost any interest. The money was transferred to his bank account and he was free to use those funds to invest elsewhere by 11am on the day after he requested the transfer. If there was any loss it would be minimal (Mr W mentions a figure of £8). I'm satisfied that the compensation award that he had is adequate to encompass that.

My final decision

As I think that StreamBank PLC responded adequately to Mr W's complaint, I don't propose to require it take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 February 2024.

Ray Lawley
Ombudsman