

## **The complaint**

Mr C is unhappy with the length of time it took Plum Fintech Limited (“PFL”) to complete a deposit instruction into his ISA, and that PFL took an amount from his linked bank account by direct debit without his consent.

## **What happened**

Mr C opened an ISA with PFL and instructed the transfer of £20,000 into that ISA from an account he held with another bank. Mr C expected the transfer into his PFL ISA to take place quickly, via instant deposit, but instead the transfer took several days. Mr C wasn’t happy about this, especially as his money wasn’t earning interest for the days that the transfer was in progress. And Mr C also wasn’t happy that PFL later took a direct debit payment of £9.02 from his linked current account without his consent. So, he raised a complaint.

PFL responded to Mr C and explained that the bank from which Mr C had transferred his money from didn’t support the instant deposit transfer method and that therefore the transfer had taken place via direct debit, which took longer. PFL also explained that Mr C had authorised the automated direct debit payments from his linked bank account when he’d set up his PFL account and explained to Mr C how he could turn that feature off if he wanted to. Mr C wasn’t satisfied with PFL’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel that PFL had acted unfairly in how they’d managed the situation and so didn’t uphold the complaint. Mr C remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Having done so, I note that Mr C feels that PFL are in breach of several items of industry regulation. However, it must be noted that this service isn’t a regulatory body or a Court of Law and doesn’t operate as such. Because of this, it isn’t within my remit to decide if PFL have or haven’t acted out of accordance with industry regulation. If Mr C feel that PFL have acted out of accordance with regulation, he may want to raise this matter with the Financial Conduct Authority (“FCA”) who are the relevant regulatory body in this instance.

Instead, this service is an informal dispute resolution service, with a remit based on fairness of outcome. As such, while I have considered the regulatory principles to which Mr C refers, including the Consumer Duty, my decision is ultimately based on whether I feel that PFL have acted fairly or unfairly toward Mr C – from an impartial perspective, and in consideration of all the information and evidence available to me.

In this instance, having considered the full circumstances of what’s happened here, I don’t feel that PFL have acted unfairly towards Mr C, and so I won’t be upholding this complaint.

I take this position because PFL have demonstrated to my satisfaction that they weren’t able

to offer Mr C the option to transfer his money to PFL from his other bank via instant deposit because the other bank didn't support that transfer method. This meant that when Mr C instructed the transfers to PFL, the option for him to do so via instant deposit wasn't available to him. Instead, Mr C chose to affect the transfers via direct debit – one of the options that was available to him.

Furthermore, because the transfers were instructed by Mr C via direct debit, this meant that direct debit timescales applied to it. In this instance, it was expected that the transfers that Mr C initiated on 9 April 2024 would be settled into Mr C's PFL account by 18 April 2024, which would be inline with direct debit timescales. However, the transfers were settled a day earlier than expected – on 17 April 2024.

I can appreciate that Mr C is unhappy that the money he transferred into PFL wasn't earning interest while the transfer was taking place. Ultimately however, this isn't PFL's fault. Rather, it's an unfortunate consequence of the transfers being by direct debit, and so isn't something I feel is unfair. And I also feel that Mr C's expectation that the transfers would complete faster was unreasonable, given that the instant deposit transfer method wasn't supported by his sending bank.

Mr C is also unhappy that after his PFL account was set up, PFL took £9.02 from his linked bank account by direct debit without his knowledge or consent.

PFL have explained that the £9.02 was taken as the result of an automated deposit feature of its accounts, that can be switched on or off by an account holder. Additionally, PFL have demonstrated to my satisfaction that Mr C was made aware of this feature when he set up his PFL account and that he authorised a direct debit mandate to allow its function. And PFL have also demonstrated that they sent Mr C a notification that they would be taking £9.02 from his linked bank account via the automated deposit feature two days before the £9.02 was taken.

Accordingly, in consideration of the above, if Mr C wasn't aware that the automated deposit feature had been authorised by him and was in effect on his account, or that PFL were planning to take £9.02 as an automated deposit when they did, then I feel that he reasonably should have been aware of these things – given the consent he gave and the information that PFL presented to him.

Notably, Mr C has now turned off the automated deposit feature of his PFL account and transferred the £9.02 back to his linked bank account. And Mr C has confirmed that he didn't incur any charges on his linked bank account because of what happened, meaning that thankfully there has been no financial detriment to Mr C.

Mr C has also said that he is unhappy that he had to transfer £20,000 to PFL as four separate £5,000 transfers. However, these transfers all completed as expected, and it's ultimately for PFL to decide the limits they put in place on such transfers.

Finally, Mr C feels that PFL's advertising and marketing is unclear and misleading. But this point of complaint sits outside the remit of what I consider. If Mr C remains unhappy about this point, he may want to contact the Advertising Standards Authority, who appear to be the relevant regulatory body regarding this aspect of Mr C's complaint.

All of which means I don't feel that PFL have acted unfairly towards Mr C as he contends. This is because I'm satisfied that PFL did complete the direct debit transfers into Mr C's PFL account within reasonable timescales, and because I'm satisfied that Mr C authorised and initialised PFL's automated deposit feature when he opened his PFL account.

I realise this won't be the outcome Mr C was wanting, but it follows that I won't be upholding this complaint or instructing PFL to take any further or alternative action here. I hope Mr C will understand, given all that I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 October 2024.

Paul Cooper  
**Ombudsman**