

The complaint

Mr J complains that Zopa Bank Limited failed to unblock his credit card despite several requests to do so.

What happened

Mr J has a credit card with Zopa Bank. He said in August 2023 he was notified by Zopa Bank that the device he was using for his account was not compatible. It said if he wanted to continue using his credit card he would need to update or change his device. Mr J said he changed device at the end of August, but he was unable to use the credit card. He said he notified Zopa Bank via the live chat on several occasions but after lengthy and long dialogue he said no one could give him any reasons as to why the block was still in place. Mr J said he continued for several months to try by phone and by live chat to get the issue resolved and even requested a new card be sent. He said he received the new card, but it still wouldn't work. He said no one would help. Mr J raised a complaint with Zopa Bank. He said his requests were falling on deaf ears and all he got was a notification of a credit limit increase. Mr J said it was only when he tried one more time via live chat in January 2024 that a complaint was raised to resolve the issue.

In its final response Zopa Bank said it received Mr J's complaint on 1 February 2024 and the request to unblock the card was actioned during week commencing 5 February. It then requested Mr J attempt to activate the new card on the app.

Mr J brought his complaint to this service. He said although the card is working now he had gone through a lot to get the situation resolved, given the frequency of times he made contact with the bank and the length of the live chats. He said he wanted compensation for all the stress and hardship this had caused him especially over the Christmas period.

Our investigator concluded that there had been a two-month delay in unblocking the card which included the Christmas period. He said this had caused Mr J inconvenience and distress and recommended an award of £100. Zopa Bank agreed. Mr J did not. He felt £100 didn't fairly reflect how he was treated. Our investigator increased the award to £150. Zopa Bank did not agree to this increase. Mr J thought that £300 would be a more appropriate level of compensation. So the complaint has come to me for 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.

Having done so I agree with the conclusions reached by the investigator for the reasons I've outlined below.

Zopa Bank has accepted it made an error so it's left to me to decide what level of redress is fair and reasonable in the circumstances. I can see that Mr J tried on several occasions in a two-month period by online chat messaging and telephone to get a resolution and the card unblocked and was unsuccessful. I've read the following transcripts and listened to call

recordings:

- Online chat - 20 November – Mr J enquired about why transactions are being declined, he expressed his disappointed in the service.
- Online chat - 22 November – Mr J appeared frustrated. He said he was reassured something would be done previously but there was still no resolution.
- Phone call – 22 November – Mr J explained that his online chat wasn't helpful and nobody seemed to know what the problem was.
- Phone call – 4 December – Mr J explained that he's fed up that he's having the same issues with the new card as the previous one. The account is still blocked. No complaint was raised.
- Online chat - 25 January 2024 – Mr J explained that he's tired of messaging to unblock the account. He is told to allow a few more working days. Mr J asked for a complaint to be raised.
- Online chat - 1 February – Mr J complained again that the account is still blocked, he said he's asked for this to be resolved on numerous occasions over several months but nothing is ever done. Complaint is raised.

Mr J is clearly frustrated during these interactions. And there doesn't appear to be any reasonable explanations given by Zopa Bank. I can see that he was inconvenienced by the block especially as it was over the Christmas period and I consider £150 compensation to be fair and reasonable. Zopa Bank has argued that £100 is adequate. Mr J was offered no assistance between November and January. While Zopa Bank apologised in the messages it doesn't appear to have offered any explanation for the block beyond the original issue of Mr J having an incompatible device – which he had already resolved - and ordering a new card. After a complaint was raised Zopa Bank still hasn't explained why it was unable to unblock the account between November and January. So I'm satisfied that £150 is fair.

Mr J has said £300 is a more appropriate level of compensation, especially as the issue occurred over Christmas. He also said his credit limit was increased by Zopa Bank early in December 2024 too £1,800. He said this will have had an impact on applications for credit he made after that, as the amount of credit on his credit file will have increased.

Zopa Bank said it emailed Mr J offering the credit limit increase and he accepted this offer later the same day. It said this occurred on 17 January. It went on to say that it does not have automated increases, it has automated communication about the increases. It said the customer opts into emails when an increase is available. The customer then follows the process on the app to accept the increase. I've seen a copy of the emailed credit limit offer and confirmation of the increase. The card was unblocked two to three weeks later and I've not seen any evidence that Mr J was denied credit or that the cost of credit was impacted by Zopa Bank failing to unblock the card. So I'm satisfied that £150 compensation is fair and reasonable and what I would expect in the circumstances.

Putting things right

To put things right Zopa Bank Limited must pay Mr J £150 compensation for the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint and Zopa Bank Limited must put things right as set out above.

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

Maxine Sutton
Ombudsman