



<u>Decision Ref:</u>	2020-0031
<u>Sector:</u>	Banking
<u>Product / Service:</u>	Credit Cards
<u>Conduct(s) complained of:</u>	Dissatisfaction with customer service Maladministration
<u>Outcome:</u>	Rejected

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

Background

The Complainant is an international student studying at a university located in Dublin. The Complainant holds a Third Level Student Account with the Provider. The Complainant submits that there was an unreasonable delay on the part of the Provider in opening his student account. The Complainant also submits that the Provider failed to ensure that his debit cards and PINs (Personal Identification Numbers) were sent to the correct address and that the Provider further failed to keep him informed about his missing debit cards and PINs.

The Complainant's Case

The Complainant states that he applied to open a student account with the Provider in **September 2017**. However, it was not until **November 2017** that his account was opened. The Complainant states that during **November 2017** he received a PIN from the Provider for a debit card ending 084x but he never received the corresponding card.

The Complainant submits that he requested that the Provider re-issue the card and he also visited the Provider's branch which resulted in the re-issuing of *"five or six bank cards, out of which [the Complainant had] one card activated in 2018."* The Complainant states that he received a debit card ending 509 but did not receive the PIN *"until this date."*

The Complainant states that having informed the Provider about the missing cards he was told that the Provider had its own investigation process and that there was no need to report the missing cards to An Garda Síochána. When the Complainant made his complaint to this Office, he had not received any information about the missing cards or PINs.

The Complainant says that the Provider's conduct resulted in missed university payments including accommodation and tuition fees; difficulty paying for food, travel and course materials; a lost job opportunity; and an inability to transfer funds from his home country. The Complainant further states that:

"... the delay in opening the bank account and activation of the card which i received have had obliterated my finances. ... [and] ... The insecurity of the missing bank cards and bank pins ... my account opening time of three months with [the Provider] etc have accounted for stress and other harm."

The Complainant seeks compensation from the Provider for the following:

"a) purposeful delay in opening the bank account ... b) purposeful manipulation of my bank account cards and bank account pins ... c) question of what happened my missing bank cards and bank pins still remain a security threat, and I wish to know what happened?"

The Provider's Case

Account Opening

The Provider submits that the Complainant visited its [specified] branch on **26 September 2017** to open a current account. This was the Provider's busiest time of year due to the volume of students commencing third level education at the nearby university. The Provider states that the Complainant was advised on that occasion that certain documentation was required for the purposes of opening an account. The Complainant was also advised that as he was an international student with no history of banking in Ireland, and no source of funds, the Provider's risk management team would have to carry out an internal risk assessment and that additional documentation may be required.

The Provider states that the Complainant was advised by its branch staff members that once the Provider had received the correct documentation and completed all necessary assessments then the current account would be opened. The Provider has set out in its submissions the documentation that was required at that stage for the Complainant's application. The Provider states that its records confirm that on **26 September 2017** the Complainant provided certain documentation. This included an application form, a copy of the Complainant's passport, a letter from the university confirming his address, bank account statements and a signed declaration. This documentation was then submitted to the Provider's risk management team for a routine assessment.

The Provider states that it required a further proof of address document from the Complainant as he was a non-resident customer. The Provider states that it requested two address verification documents at the initial stage of the Complainant's application and the Complainant did not provide the second address verification document until **3 November 2017**. This was a letter from the Department of Social Protection. The Provider states that

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once it was in receipt of all the necessary documentation the Complainant's current account was opened on **9 November 2017**.

Debit Cards

The Provider states that it immediately arranged to re-issue debit cards to the Complainant when they were returned undelivered and when it was put on notice that the Complainant did not receive the cards. The Provider states that it further facilitated that Complainant with the withdrawal of funds in its [specified] branch in an effort to assist him in accessing funds from his account. The Provider advised the Complainant that its [specified] branch was a cashless branch and that an emergency card could be arranged for branch use while a customer is awaiting a debit card.

The Provider states that the Complainant advised its branch staff members that he would need this emergency service once he received a payment into his account from his parents. The Provider states that an emergency card can only be used when there are available funds in an account. The Provider states that its records show that the Complainant's account did not receive any funds until **3 May 2018**; six months after the account was opened. The Provider states that the Complainant visited its [specified] branch on **3 May 2018** and it assisted the Complainant with an emergency withdrawal.

The Provider states that the Complainant signed up for online banking by telephone on **25 September 2018** and once the Complainant set his online PIN he had full access to his current account via the Provider's telephone automated self-service menu and its online banking service.

The Provider states that when the Complainant completed the account opening application form on **26 September 2017** he supplied his university student accommodation address. This address has been cited by the Provider in its submissions. The Provider states that this is the address to which it issued the cards. The Provider states that if the Complainant contends that his correspondence details are incomplete, it cannot be responsible as it relied on the information expressly provided by the Complainant. The Provider states that the Complainant never made it aware of any inaccuracies regarding his correspondence address. The Provider states that one of its staff members showed the Complainant his address details on its computer system. The Provider also states that it amended the Complainant's address at his request to a different address at his university. This address has been cited by the Provider. The Provider states that this was done as an exception, in an effort to help the Complainant obtain his newly ordered card.

The Provider states that after the Complainant's account was opened it issued six cards. Five of these were issued to the Complainant's initial university residential address and the sixth card was issued to his updated university address. The Provider states that it cannot explain why the cards did not arrive at the Complainant's address. The Provider states that one of its members of staff was in contact with the Complainant's university's post room to put it on notice of the card's arrival. The Provider states that it staff member was informed by university personnel that it had received reports that some of its students had been experiencing difficulties receiving post.

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Of the six cards that issued to the Complainant, the Provider states that the first three were returned undelivered to its central mailing room, by An Post. It states that it cancelled and destroyed these cards in accordance with its procedures to minimise the risk of any fraudulent activity. The Provider states that card numbers ending 505 and 509 were sent to the initial address as with the previous three. It states that the Complainant visited its [specified] branch with two cards that he had received, but no PIN arrived for these cards. The sixth card received by the Complainant became live and went in to use. The Provider states that when it is on notice that a customer does not receive a card, the card will be cancelled and a new card re-issued. However, it can only cancel a card once it is on notice that it has not been received by a customer. The Provider states that it immediately arranged to re-issue the cards when they were returned undelivered and when it was put on notice that the Complainant did not receive them.

PINs

The Provider states that when it issues cards to customers the PIN is issued under separate cover letter. The Provider has no control over how long this will take to arrive. However, if a customer does not receive a card or PIN within 5-8 working days, the customer must report this to allow the Provider to cancel the PIN or card and to re-issue a further PIN or card. When the Complainant visited its [specified] branch with the two cards he advised the branch staff member that he could not use either card as the PIN would not work. The Provider states that this shows the Complainant had received a PIN for at least one of the previously issued cards. The Provider states that the letters enclosing the various PINs were never returned to it and if they were, they would have been destroyed immediately.

An Garda Síochána

The Provider states that the Complainant was advised by a member of staff that it was his choice if he wished to report the missing cards to An Garda Síochána and it further refers to the statement of its branch staff member in this regard.

Ability to Use the Account

The Provider refutes that the Complainant's finances were affected by not having access to his debit card. At account opening the Complainant received his IBAN and BIC which enabled him to receive payments into his account from a third party. The Provider also states that it gave the Complainant a list of cash branches which he could visit to withdraw funds over the counter, with photographic ID.

The Provider states that the Complainant was not prevented from paying tuition fees as there were no lodgments made to the account until **3 May 2018**. The Provider states that this may not have been the only account used by the Complainant as he was living in the country yet he had no income or expenses out of the disputed current account. The Provider states that payments such as tuition fees must have been made by some other means and that there is no evidence to indicate any payments returning unpaid for this account.

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The Complaint for Adjudication

The complaint is that the Provider was guilty of maladministration insofar as it:

- 1) delayed in opening the Complainant's current account;
- 2) failed to issue the Complainant's debit cards and PINs to the correct address; and
- 3) failed to keep the Complainant informed about the missing cards and PINs.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties on 14 January 2020, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, within the period permitted, the final determination of this office is set out below.

Statement from Staff Member

The Provider has furnished a statement from its staff member at the [specified] branch who dealt with the Complainant. Beginning at the sixth paragraph of this statement it states:

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*“With regard to the issuing of his bank cards to him upon the opening of his account, the Complainant attended at the branch and advised me he had not received his card and pin. I double checked the address he had provided and **the Complainant asked to see the address held on our system. I showed him the address which he confirmed was correct. He then proceeded to speak with the [university] postal department and returned to the branch and requested a change of address.** This was done after a few cards had already been issued. The Complainant returned to the branch again to advise he received two cards and a pin however the pin was not working. I proceeded to order a new card which would require a new pin to issue. **I also contacted the [university] postal room** and was advised that they had issues with incorrect addresses and post being returned undelivered with other students.*

*I met with the Complainant and my manager after his account opened as the Complainant was seeking lending. We discussed the process involved in the opening of his account and the issue of cards. We explained that we had no way of tracking the cards when they were posted and our only process was to reissue and cancel the previous card. **The Complainant asked about the security and we confirmed all was ok and again I highlighted that if he wanted to transfer the funds from his home account to his ... account he could avail of this service and I had previously provided him with his IBAN and BIC information. The Complainant did not avail of same.***

***Through my dealings with the Complainant I did at all time reassure him that his cards were cancelled and that once this was completed the cards could not be used. The Complainant did mention that he would be reporting this issue to the Gardaí and I advised that if this was his decision I would support same if the Gardaí required any information.** I also advised the Complainant that he should raise his concerns with the [university] Postal office as they had confirmed they had issues with other students.” [My emphasis]*

Delay in the Account Opening

The Complainant applied to open a student current account with the Provider on **26 September 2017**. When making his application the Complainant supplied the Provider with certain documentation. The Complainant was informed that once the appropriate documentation was received and due diligence carried out by the Provider, then his account would be opened. The Provider states that it requested two address verification documents from the Complainant at the time of his application however, it was not until **3 November 2017** that the second address verification document was made available. The Complainant’s current account was then opened on **9 November 2017**. This has not been disputed by the Complainant.

The Provider made the Complainant aware that two forms of address verification were required in order to open an account. The Complainant provided only one. It was not until **3 November 2017** that the second form of verification was made available. This was a letter from the Department of Social Protection dated **26 October 2017**. When the Provider received the Complainant's second address verification document, I note that the Complainant's account was opened within four working days.

I therefore do not accept that the Provider was the cause of any delay in opening the Complainant's account. The delay in this instance was associated with the Provider's requirement for a second form of address verification, and the period which elapsed before this was made available by the Complainant.

Debit Cards and PINs

This aspect of the complaint centres around the address maintained by the Provider in respect of the Complainant. When opening the account the Complainant completed an online account opening application form. The address entered by the Complainant on this form was his university campus residential address. The Complainant provided two forms of address verification to the Provider for the opening of his account. The first is a Certificate of Attendance from his university dated **25 September 2017** and the second is a letter from the Department of Social Protection dated **26 October 2017**. Both letters record the Complainant's address as his university campus residential address.

When the Complainant's account was opened a number of debit cards were issued. The first three were returned to the Provider as undelivered. The Provider states that these cards were addressed to the Complainant's campus residential address. The Provider's further states that these cards were cancelled and destroyed. It does not have copies of the correspondence enclosing these cards as this was also destroyed. Two further cards were issued to the Complainant. The evidence in this complaint indicates that these cards were received by the Complainant as he presented himself at the Provider's branch with two debit cards neither of which he could use, because he did not possess the correct PINs. These cards were subsequently cancelled. The sixth card issued by the Provider is currently being used by the Complainant.

In the Provider's Final Response letter dated **17 July 2018** it confirmed that the original address provided by the Complainant was a Dublin [xx] address. Following this, by email dated **8 February 2019** the Complainant stated that this was incorrect and this should in fact have been Dublin [xy]. By email dated **21 February 2019** the Provider clarified that the Complainant was correct and that there was a typographical error in its Final Response letter, and that at no stage was the Complainant's address ever recorded as Dublin [xx]. In a further email of the same date the Provider states that all cards issued to the Complainant were generated centrally and the address on the cards reflected the address that was held on the Complainant's account.

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The Provider maintains that the three undelivered cards and PINs were issued to the correct address. The Complainant listed his university campus residential address on this online account opening application form and he also supplied two forms of address verification to confirm this. Subsequent to this, the Complainant verified the address maintained by the Provider when it was shown to him on the Provider's computer system in its [specified] branch.

The Complainant has furnished a letter which contains his campus residential address but the last line of the address is Dublin [xx]. Even though this is the case, the letter was nonetheless received by the Complainant. While this letter does not appear to have a date, there is no evidence to show that the Complainant informed the Provider that the last line of the address held by the provider, was incorrect.

The evidence in this case is not sufficient to suggest or demonstrate that the Provider sent the Complainant's debit cards and PINs to an incorrect address or that certain incorrectly addressed correspondence from the Provider, was not received by the Complainant. The Provider was not obliged only to ensure that the Complainant received his debit cards or PINs. The Provider was obliged to ensure that it maintained the address given by the Complainant and that any correspondence issued to the Complainant was issued to that address. There is no evidence to suggest this was not the case. However, there is evidence to suggest that there may have been certain difficulties with delivery of post, further along the supply chain, but any such difficulties were beyond the Provider's control. While it is unfortunate that the Complainant was issued with no less than six debit cards, I do not accept that the conduct of the Provider in this instance was contrary to the provisions of the ***Financial Services and Pensions Ombudsman Act 2017***.

Keeping the Complainant Informed

The Complainant has questioned the status of the undelivered debit cards and whether there was or is a threat to his account security. The Complainant also states that he did not receive any information about the missing debit cards and PINs from the Provider.

The Complainant did not make a formal complaint to the Provider in respect of these issues until he raised in his complaint to this Office. However, following the submission of his complaint to this Office, this Office wrote to the Provider and requested that it issue a Final Response to the Complainant in respect of the issues raised and the Provider did so on **17 July 2018**.

The evidence in this matter demonstrates that the Complainant was informed at an early stage that there was no risk to his account and that the cards were cancelled. This was further made clear in the Provider's Final Response letter. Finally, I do not accept that the Provider told the Complainant not to report the matter to An Garda Síochána. Indeed, there was nothing to prevent the Complainant reporting the matter.

Having considered these elements of the complaint against the Provider, I take the view that whilst the Complainant had an unfortunate experience in the setting up of his account with the Provider, and that a large number of items appear to have been lost in the post, the evidence does not establish in any way that the Provider did anything which was incorrect or wrongful. Accordingly I do not believe that it would be appropriate to uphold this complaint.

Conclusion

My Decision is that this complaint is rejected pursuant to **Section 60(1)** of the ***Financial Services and Pensions Ombudsman Act 2017***.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

**MARYROSE MCGOVERN
DIRECTOR OF INVESTIGATION, ADJUDICATION AND LEGAL SERVICES**

5 February 2020

Pursuant to **Section 62** of the ***Financial Services and Pensions Ombudsman Act 2017***, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

- (i) a complainant shall not be identified by name, address or otherwise,
 - (ii) a provider shall not be identified by name or address,
- and

(b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.