



<u>Decision Ref:</u>	2021-0495
<u>Sector:</u>	Banking
<u>Product / Service:</u>	Current Account
<u>Conduct(s) complained of:</u>	Failure to process instructions
<u>Outcome:</u>	Rejected

**LEGALLY BINDING DECISION
OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

This complaint concerns a current account held by the Complainants with the Provider.

The Complainants' Case

The Complainants assert that they have had a joint current account with the Provider for the last seven years. According to the Complainants they receive, between them, five sources of pension income from the United Kingdom into this account.

In **March 2018**, the Complainants state that they noticed that the narrative descriptions identifying some of their United Kingdom pension credits were replaced with numerical references on their bank statement, for example the description "*STATE PENSION*" was replaced with a long reference number whilst other credit references such as "*TPT*" did not change.

The Complainants contend that they contacted the Provider and asked for the references on the pension credits that had changed to be put back to the original narrative descriptions, as the numerical references do not identify the funds and the Complainants assert that this makes it difficult to reconcile the pension income on their bank statements because they each have pensions of similar amounts and also as they have to convert the payments from euro back to sterling, and then identify the amounts on their pension remittance slips.

According to the Complainants they met with the Provider in its branch office regarding this issue in or around **May** or **June 2018** and subsequently went back 2 or 3 times to request an update. The Complainants assert they received a letter from the Provider's Customer Services dated **27 September 2018** referring to their meeting on **25 September 2018** when they state they had raised it "*four months previously*".

The Complainants assert that the Provider told them in a telephone call on **31 October 2018** that:

"[they] will need to contact the sender of the payments and request them to make the changes that [they] are seeking".

The Complainants assert that in **2019**:

"[they] spent months both in writing and on the phone to the originators [the pension providers] of these UK payments...In all cases [they] were informed it was up to the recipient bank to identify and detail the sources of the payments".

In a letter of **6 August 2019** the Pension Provider "U" told the Complainants they had contacted the payer bank previously to change the reference and that the payer bank had:

*"confirmed that the reference was changed as requested in **January 2019**... [the payer bank] have advised that it may be [the Complainant's bank] that is not adding this reference to [their] statement".*

According to the Complainants the Provider said that if they signed up to on-line banking they would have more visibility on the transactions. The Complainants assert that they choose to do their banking in branch and do not want to sign up to on-line banking. What they want is the Provider to change the reference on the narrative.

The Complainants state that:

"[The Provider's] document 'Understanding your personal current account statement' says... 'The Details column gives a description of the item lodged into or withdrawn from your account'. This case is about [the Provider] just not doing so".

The Complainants want the Provider to reinstate the origin of payments on the bank statements and submit that "*these payments are ours, not the banks. We should be able to see from whom they are from to do basic checks or indeed evidence where the money is coming from*".

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The Complainants made further submissions to this Office dated **20 September 2020**. The Complainants state that there are likely a significant number of pensioners receiving pension payments from the UK who are not “100% computer literate” and who are having difficulties identifying which payments come from which UK pension provider.

The Complainants also state that family members of theirs had raised this issue/complaint in-branch with the Provider on behalf of the Complainants in **May/June 2018** and the Provider did not record/respond to same.

The Complainants state that the Provider could have identified customers receiving UK pension income and could have acted in **2018** to update these customers as to the changes in the information displayed on their accounts.

The Complainants note in their submissions that the Provider has not included the agreement it references in its submissions as an agreement made within the Irish Banking community when SEPA came into force in **2014**. The Complainants point out that this is the agreement that the whole issue turns on from the Provider’s point of view.

The Complainants also note that despite the efforts they made with their pension providers to display narratives so that they would be read by the Provider’s systems so as to appear on paper statements, it was a “*futile exercise*” as the Provider’s systems are not configured to read the Sender Reference Party field. The Complainants also note that it took two years for the Provider to mention that payment log print outs are available from the branch. Prior to this, the Complainants had understood that this information was available online only.

The Complainants also provide evidence in their submissions of the practical difficulties they have had attending in-branch to access print outs of their payment logs and further note that the Provider’s suggestion that they attend in-branch runs contrary to COVID-19 advice to minimize risks of exposure/contacts, which is especially important for the older customers of the Provider whom this issue is most likely to apply to.

In essence, the Complainants assert that customers of the Provider should be able to see where pension payments/credits into their account come from and that a failure by the Provider to show the source of credit on the paper statements they issue is “*not acceptable*”.

The Complainants made further submissions to this Office dated **11 November 2020**. Again, the Complainants stress that all they wish to have is a meaningful narrative on their paper statements.

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They query the efforts the Provider actually went to, to resolve this matter and question how the Provider cannot have control as to what the recipient of a credit to their account is able to see on their paper statement. The Complainants submit that the current configuration of the Provider's automated system is "*not doing what it should do with respect to data coming from [the sending bank]*". The Complainants reiterate that they should not be forced to go on-line with their banking. The Complainants also again reiterate that the Provider has not furnished a copy of the SEPA Regulations they refer to. The Complainants also query how international SEPA credits are more transparent to domestic SEPA credits. The Complainants also make the point that the complaint is not about the SEPA transaction process, rather it is about the post-transaction process that is, the narrative or lack of it on paper bank statements and that this is an internal process of the Provider. The Complainants also note that the Provider has not provided any evidence of the electronic message it sent to "*ascertain if anything further can be done to resolve the issue for the complaint*" nor of their "*continued... efforts to resolve this issue*".

The Complainants made further submissions to this Office dated **3 February 2021**. The Complainants state that the correspondence submitted in evidence by the Provider which was between the Provider and the UK payer, is correspondence between **5 October 2020** and **8 October 2020** and the Provider has not shown any significant effort to resolve this matter prior to that point in time. The Complainants reiterate many of their previously made points in these submissions. They also note that the Provider has now moved to a system of only issuing paper statements biannually as opposed to monthly.

The Provider's Case

The Provider in its Final Response Letter of **7 November 2018** sets out that "*the two monthly pension payments are coming from the one sender in England*". The Final Response Letter goes on to outline that in **April 2018** the payer of the pension payments into the Complainants' bank account changed from using a United Kingdom bank to a Republic of Ireland bank and that this impacted on the detail that the Provider receives on the payment. The Provider asserts that it was not put on notice as to this change, nor is there any requirement on the payer's bank to notify the Provider of any changes.

According to the Provider it is the payer's bank that provides the reference that appears on the Complainant's statement and the Provider "*has no control over that*". The Provider contends that "*the sender bank*" would need to change the detail of the credit narratives before the Provider receives the payment for processing.

The Provider sets out that the payments are sent for processing through the Single Euro Payments Area (“SEPA”) scheme and the decision is made by the SEPA scheme as to the location that the payment goes through for clearing. The Provider asserts that it does not apply an exchange rate on the payments transmitted through SEPA as any exchange rates *“would have been applied at the sender’s bank”*.

The Provider made submissions dated **21 July 2020** to this Office in response to the complaint. In these submissions, the Provider reiterates that the payer of the pension payments into the Complainants’ bank account changed from using a United Kingdom bank up to **March 2018** to a Republic of Ireland bank after **March 2018** and that this impacted on the detail that the Provider receives on the payment. For payments received from Irish banks, the Provider submits that the industry approach to the amount of detail the Irish banking community is to display is the related reference (EndtoEndID) on a customer’s account. The Provider states that this was *“an agreement made with the Irish Banking Community, when SEPA came into force in 2014”*. Due to this, the Provider states that it is not in a position to change the narratives for the Complainants at this time. The Provider asserts that it was not put on notice of this change, nor is there any requirement on the payer’s bank to notify the Provider of any changes. The Provider also submits that it was not required to communicate this change to the Complainants.

The Provider also states that as capacity is limited as to what can be shown on a customer’s ledger (two line narratives) the Provider is confident that its customers have accessible means to get more information on transactions on their accounts through the Provider’s online payment logs or through a payment advice which can be requested at any of the Provider’s branches.

The Provider states that the complaint in this matter was raised on **26 September 2016** and closed on **7 November 2018**.

The Provider has stated that in acknowledgment of the time and effort the Complainants have taken in bringing this matter to the attention of the Provider, the Provider would like to offer the Complainants a goodwill gesture of €250 in full and final settlement of this dispute.

The Provider made further submissions to this Office dated **27 October 2020**. The Provider clarifies within this submission that the **2014** agreement it is referring to is the SEPA Regulations of **2014**. It also states that its reference to the “Irish Banking Community” refers to banks operating in Ireland which are regulated by the Central Bank and are obliged to comply with the European Union (Payment Services) Regulation 2018.

The Provider states that after escalating the issue to its payments products business area for further review, it can confirm that it is not possible to manually adjust credit narratives on statements. The Provider states that it processes over 100 million SEPA transactions each year and that this is an automated system which is operated and adhered to in line with the agreed standards as set out under European Union (Payment Services) Regulations 2018 and SEPA regulations 2014.

The Provider states that it contacted the UK payer of the Complainants' pension payments who confirmed that they had switched from a UK Bank to an Irish Bank and the Provider does not have any control over this.

The Provider acknowledges the current COVID restrictions in place and that it is not appropriate for the Complainants to visit their local branch in order to ask for a print out of a payment log. The Provider states that during the current time, the Complainants can ring their local branch and request payment advices be posted out to them.

The Provider apologises for the lack of customer service experienced by the Complainants when they went in-branch and attempted to seek a print out of a payment log.

The Provider has stated that its SEPA and Payments team will continue in their efforts to resolve this issue and have been in contact with the UK payer and asked them to contact their customer and amend the end to end id with a more meaningful reference/narrative on their incoming payments.

The Provider made further submissions dated **24 November 2020**. The Provider included copies of its emails with the UK payer with this submission. The Provider states that it has escalated the matter to senior management within the Provider's organisation but due to the high volume of SEPA payments transacted by the Provider on a daily basis, it is not possible to manually apply an individual narrative.

The Complaint for Adjudication

The complaint is that the Provider wrongfully failed to give the Complainants details of payments made to them in their current account statement and furnished the Complainants with poor customer service when handling their query and complaint in this regard.

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 Complainants were 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 2 September 2021, outlining my preliminary determination 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.

Following the issue of my Preliminary Decision both parties made further submissions, copies of which were exchanged between the parties.

Having considered these additional submissions and all submissions and evidence furnished by both parties to this office, I set out below my final determination.

In respect of the assertion that the Provider gave poor customer service when handling the Complainants' query and complaint, in my Preliminary Decision I had detailed that I "*note that the Provider did not note, address or properly record the Complainants' complaints made in the Provider's branch by their family members on their behalf in **May/June 2018***". However, the Complainants have submitted in their post Preliminary Decision submission that while the "*provider states the complainant's family members had raised this issue/complaint in-branch with the provider in May/June 2018. This is factually incorrect. All complaints in-branch were face to face by us*". Whether it was the Complainants or their family members who made the complaints, it remains the fact that the Provider did not note, address or properly record the Complainants' complaints made in the Provider's branch.

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This is not in accordance with provision 10.8 of the Consumer Protection Code 2012 (as amended) (**‘the CPC (2012) as amended’**) which states that *“When a regulated entity receives an oral complaint, it must offer the consumer the opportunity to have this handled in accordance with the regulated entity’s complaints process”*. Neither does it comply with provision 10.7 of the CPC 2012 (as amended) which states that *“A regulated entity must seek to resolve any complaints with consumers”* and provision 2.8 which states that a regulated entity must ensure that it *“corrects errors and handles complaints speedily, efficiently and fairly”*.

The Provider has placed the responsibility for its inability to furnish the information sought by the Complainants on the payer of the payments.

According to the Provider it is the payer’s bank that provides the reference that appears on the Complainants’ statement and the Provider *“has no control over that”*. The Provider contends that *“the sender bank”* would need to change the detail of the credit narratives before the Provider receives the payment for processing. This seems logical and reasonable to me.

I note the Provider has stated that due to the high volume of SEPA payments transacted by it on a daily basis (over 100 million per year) it is not possible *“to manually apply an individual narrative”* to each transaction on a paper statement. I do not find this position to be unreasonable.

It is notable that the information the Complainants are seeking was included on their statements from the Provider prior to **2018**. It would appear that the change in the information available on the Complainants’ statements arose on foot of changes made by the UK sending bank in preparation for Brexit and not because of any changes made by the Provider against which this complaint was made.

The Provider contends that *“the sender bank”* would need to change the detail of the credit narratives before the Provider receives the payment for processing. I accept that it is the payer’s bank that provides the reference that appears on the Complainants’ statement, and not the Provider.

I believe the matter the Complainants have raised in relation to the identification of payments into their accounts should more appropriately be addressed by the payer and/or the paying bank/s rather than the Provider, as recipient of those payments. Therefore, I do not propose to hold the Provider responsible for the narrative that appears on the Complainants’ bank statements.

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I note the Provider has acknowledged its shortcomings in dealing with the Complainants' complaints in its branch initially and the manner in which it has handled this complaint. The Provider has offered a goodwill gesture of €250. I find this to be reasonable in the circumstances.

The Complainants have, in a post Preliminary Decision submission, requested that the €250 goodwill gesture be paid directly to a charity nominated by the Complainants. I note that the Provider, in its own post Preliminary Decision submission, has acknowledged and acceded to this request.

For the reasons set out in this Decision, I do not uphold this complaint.

Conclusion

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

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.



**GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

8 December 2021

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

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

