

**Ombudsman determination**

**CIFO Reference Number: 16-000141**

**Complainant: [The complainant]**

**Respondent: [Bank X]**

It is the policy of the Channel Islands Financial Ombudsman (CIFO) not to name or identify complainants in any published documents. Any copy of this determination made available in any way to any person other than the complainant or the respondent must not include the identity of the complainant or any information that might reveal their identity.

[The complainant] complained to CIFO after his banking relationship with [Bank X] was ended by the bank.

**Background**

[The complainant] raised the following points in his complaint to CIFO:

1. [The complainant] was sold a long term fund, only to be told less than one year later that [Bank X] were ending their business relationship with him.
2. [The complainant] complained that the fund he had been sold was a high risk fund, contrary to the risk rating he had told them; he was a moderate/low risk investor according to his signed form.
3. [The complainant] further complained about the length of time and manner of how [Bank X] informed him of this “mistake”; it took more than six months to inform him and it was done by email rather than in person.
4. [The complainant] asked why [Bank X] ended his banking relationship after 18 years as a customer.
5. [The complainant] queried why he was given only one month to transfer his entire portfolio. This occurred two months after he had complained and requested more time.
6. Finally, [the complainant] queried the quality of [Bank X’s] customer care, in that he was always contacted by telephone when they wanted to sell him a product but was only contacted by email when told about the “mistake” regarding risk rating and when he was informed by [Bank X] that they were closing his account.

As a fair and reasonable resolution to his complaint, [the complainant] sought £50,000 in compensation.

## **Findings**

I agree with the case handler that the complaint should not be upheld.

Although [the complainant] was sold a high risk investment, any subsequent financial loss did not occur from an inappropriate risk level. Any loss would have only occurred because [the complainant] had to sell the fund earlier than expected following the termination of his business relationship. In any event, [Bank X] have demonstrated that when the funds were redeemed, [the complainant] experienced a profit. Therefore, I do not agree that there has been a financial loss.

I agree with the case handler that the decision to end the banking relationship was a commercial decision taken by [Bank X]. [Bank X] can choose not to do business with a customer without giving reasons provided that reasonable notice is given.

[The complainant] says he was not provided with sufficient time to make alternative arrangements but I am not persuaded that this was the case. The final response letter from [Bank X] of 1 August 2014 extended the period for [the complainant's] account to be closed until 31 October 2014. This is more than the one-month period [the complainant] says that he was given to transfer his portfolio. It follows I do not consider that [Bank X] has acted unreasonably in exercising its commercial judgement and closing his account with nearly three months' notice.

Insofar as [Bank X's] customer care is concerned, I am of the view that contacting a customer by email is not inherently unreasonable but, in any event, [the complainant] informed us that he has already been refunded the commission he paid. This amount is significantly higher than an award I would consider making for any of the suggested customer care inadequacies. Therefore, no additional recompense is warranted in respect of this part of [the complainant's] complaint.

## **Final decision**

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

[The complainant] must confirm whether he accepts this determination either by email to [ombudsman@ci-fo.org](mailto:ombudsman@ci-fo.org), or letter to Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands JE4 9QG, by **8 September 2016**. The determination will become binding on [the complainant] and [Bank X] if it is accepted by this date. If we do not receive an email or letter by the deadline, the determination is not binding. At this point [the complainant] would be free to pursue his legal rights through other means.

If there are any particular circumstances which prevent [the complainant] confirming acceptance before the deadline of 8 September 2016, he should contact me with details. I

may be able to take these into account, after inviting views from [Bank X], and in these circumstances the determination may become binding after the deadline. I will advise both parties of the status of the determination once the deadline has passed.

Please note there is no appeal against a binding determination, and neither party may begin or continue legal proceedings in respect of the subject matter of a binding determination.

Douglas Melville  
Principal Ombudsman and Chief Executive

Date: \_\_\_\_\_