

Ombudsman determination

CIFO Reference Number: 17-000492

Complainant: [The complainant]

Respondent: [Bank P]

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.¹

Background

The complainant, [redacted for anonymisation purposes], complained of the various requests for identification information made by [Bank P] since November 2016. The complainant states that [Bank P] had repeatedly asked for the same documents that she had previously sent, having failed to explain what the problem was with the documents she had provided.

[Bank P] acknowledged the poor management of this matter, apologised to [the complainant] and offered her compensation of £75 for both the poor service and for providing her with contradictory information. Following the escalation of her complaint to CIFO, [Bank P] revisited [the complainant's] complaint and recognised that the compensation offered to her was inadequate in the circumstances. Consequently, on 8 January 2018 [Bank P] increased this offer to £350 to cover the costs of the documents being certified and for any distress and inconvenience suffered.

As a fair and reasonable resolution to her complaint, [the complainant] sought compensation of at least EUR 200 for the extra fees spent on the certification of the documents and asked for an explanation of [Bank P's] refusal to accept her documents. [The complainant] further asked for her account to be unblocked, which was done in January 2018.

In rejecting the increased [Bank P] offer, [the complainant] expressed her view that the compensation should be at least double the sum offered, a total of £700.

My provisional determination was issued on 21 May 2018 with an invitation to either party to submit any additional evidence which might inform my final decision.

On 22 May 2018 both parties accepted my provisional findings.

¹ Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

Findings

Following a standard request for updated customer information, [the complainant] sent documents to [Bank P]. Unfortunately, these do not appear to have been received by the bank. I note that [the complainant] resent the documents a second time in February 2017. However, upon receipt [Bank P] found her documents were unsuitable as the certifier could not be verified. Consequently, her account was blocked.

On 26 April 2017, [the complainant] called [Bank P] to ask why her account had been blocked. [Bank P] advised her that the documents she had provided needed to be certified. [The complainant] paid EUR 200 (approximately £175) to have her documents translated and verified by a lawyer and subsequently sent the documents to [Bank P]. However, [Bank P] told [the complainant] that her documents were still unsuitable.

On 3 May 2017, [Bank P] sent [the complainant] an email explaining that the bank was unable to verify the certifier. [Bank P] further advised her that the source of wealth information was also required and requested a certified copy of her passport and proof of address.

On 24 May 2017 a letter dated 17 May 2017 was received by [Bank P] from [the complainant] enclosing a certified copy of her passport, a bank statement and a tax bill.

On 19 June 2017, [the complainant] telephoned [Bank P] and logged a complaint as she felt she was not being advised what was wrong with the documents she had provided to the bank.

On 26 June 2017, [Bank P] emailed [the complainant] to let her know that the bank needed proof of address, the completion of an investor form, details of her source of funds and source of wealth and added that, although some of the docs have been provided, the bank was unable to verify the certifier. [Bank P] asked if [the complainant] would provide the location of the certifier of her documents.

On 27 June 2017, [the complainant] called [Bank P] to inform the bank that she had already sent the documents. [Bank P] explained to her again that it needed to verify the certifier of those documents. [Bank P] later called [the complainant] back to say that if it was able to verify the certifier then all it would need was the source of wealth documents.

On 5 July 2017, [Bank P] received from [the complainant] the source of wealth documents in the form of 2 tax forms and 2 bank statements, and on 24 July 2017, the complainant provided the internet domain information for the bank to locate the certifier.

On 27 July 2017, a final response letter was issued to the complainant from [Bank P] advising that, as the bank needed confirmation of address, a copy of her passport and source of wealth documents, the complaint would not be upheld. An email was also sent explaining that [Bank P] could not accept the earlier documents as it was unable to

verify the certifier. [Bank P] provided further detail on what was acceptable evidence of her source of wealth and source of funds.

On 5 September 2017, an email was sent to [the complainant] from [Bank P] asking for a utility bill or bank statement to be translated.

On 20 September 2017, an email was sent by [Bank P] to the complainant advising that the source of funds and source of wealth documents were not acceptable as they were bank print-outs and therefore not an independent form of verification.

On 21 September 2017, [the complainant] called to complain that [Bank P] repeatedly asked for documents she had already sent to the bank. The complainant was advised that the bank only issued print-outs for balance enquiries. A second complaint was raised, and the Remediation Team at [Bank P] was asked to review the issue and detail what was outstanding.

On 4 October 2017, an email was sent to [the complainant] asking for a translation of the proof of address and evidence of the source of funds and source of wealth. [Bank P] explained that it would then contact the document certifier. [The complainant] was also mistakenly asked again for a certified copy of her passport, which had previously been received.

On 6 October 2017, a second Final Response letter was issued to [the complainant], offering £75 to compensate her for the poor service, providing insufficient information as to why her previously submitted documents were not acceptable and incorrectly advising her that the bank required her passport to be translated. I find that this second Final Response letter provided sufficient clarification as to why the previous documents were unacceptable.

I am satisfied that it was reasonable for [Bank P] to ask for documentary evidence of identity and address in order to satisfy its regulatory requirements, and it is for the bank to decide what it requires and accepts as proof of identity in order to be satisfied. I acknowledge that the correspondence was often unclear, however [Bank P] had asked for certified documents and it was the complainant's responsibility to provide what had been requested. I therefore find that [the complainant] should not be compensated for the cost of obtaining certified documents.

I find, however, that [Bank P] did cause [the complainant] inconvenience and consternation, requiring her to telephone [Bank P] a number of times in an effort to try to understand the requirements and the issues with the documentation she had provided.

Final decision

My final decision is that the complaint is upheld in this matter, but that the increased compensation amount of £350 offered by [Bank P] was fair and reasonable in the circumstances and is what [Bank P] should pay the complainant.

As both parties have confirmed that they accept my provisional determination the determination will become binding on [Bank P].

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: 22 May 2018