

Ombudsman Decision**CIFO Reference Number: 24-000240****Complainant: Mr O****Respondent: Standard Chartered Bank, Jersey branch**

The Complainant, who I shall refer to as Mr O complains that in 2019 his accounts with Standard Chartered were restricted and then closed and he subsequently suffered a substantial delay in obtaining transfer of his funds which caused him to suffer financial loss and damage to his health.

Background

In 2019 Standard Chartered gave Mr O notice that it was closing his accounts. On 14 April 2022 Mr O wrote to Standard Chartered and requested them to transfer his funds to another bank, but the Bank did not make the transfer until 11 November 2023. Mr O said that the delay caused him to suffer anxiety and distress and in July 2022 he developed a chronic heart condition which he says is a result of the actions and delay of the Bank.

Mr O said that the delay in obtaining access to his funds prevented him from investing in a start-up business and from paying his rent and he was forced to borrow money from friends. In addition, he said that as a result of the impact on his health he was obliged to pay for medical treatment. As such he sought compensation totalling \$1,063,000.

Standard Chartered acknowledged that Mr O's instructions of April 2022 had not been acted upon and agreed to refund the minimum service fees chargeable, as the balance of Mr O's account had fallen below \$100,000, from April 2022 to September 2023 and the late exit fees charged to the account from April 2022 to October 2023. It further paid \$3,000 compensation to Mr O for the delay in transferring Mr O's funds. This sum was agreed with Mr O over the telephone in November 2023.

Mr O then considered the compensation was insufficient and complained to CIFO.

The adjudicator thought that Standard Chartered should pay interest on the balance of the accounts for the period Mr O was deprived of his funds at 8%, that is April 2022 to October 2023, totalling £6,919.42 and a further £500 for the distress and inconvenience caused. Taking into account the payment of \$3,000 already paid, this resulted in a net payment being due of £5,246.62 or \$5,771.28. She did not think that Mr O was entitled to any compensation for loss of investment opportunity as he had not made Standard Chartered aware of his investment intentions. Nor did she think that Mr O's health conditions had been shown to be directly attributable to the delays encountered.

Standard Chartered accepted the adjudicator's decision but Mr O did not. He said:

- His accounts had been closed because his total assets were below \$100,000 but, as he had banked with Standard Chartered for over 20 years, this new rule should not be applied to his accounts.
- Following the instruction to transfer his funds, he sent a reminder to the Bank on 29 July 2022 and followed up with several fax messages and telephone calls.
- He had developed high blood pressure and heart problems in July 2022 during the period he was anxiously awaiting transfer of his funds.
- That the adjudicator intimated that medications prescribed were not related to his sickness and CIFO ought to have verified this with an independent medical board in Jersey.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

The first point I wish to make is that the Law under which CIFO operates, namely the Financial Services Ombudsman (Jersey) Law 2014, states that

the total money award in respect of a complaint may not exceed £150,000. As such I cannot make a binding award above that sum. Any amount above that threshold could only be a non-binding recommendation.

Secondly, insofar as the closure of the accounts is concerned, I note that CIFO have examined the exit letters issued by the Bank. The first is dated 8 January 2019 and notified Mr O that it intended to close the accounts by 8 March 2019. The second is dated 7 March 2019 and referred to a letter from Mr O of 27 February 2019 which explained that the Bank had reviewed its business and risk strategies and extended the closure date to 30 April 2019. The third is dated 30 April 2019 and said that the Bank had not yet received closure instructions and referred to the monthly late closure fee to be applied to the accounts.

A bank's decision to close certain accounts is a commercial decision with which CIFO cannot interfere. I can, however, look at whether appropriate notification has been issued. I am satisfied that, notwithstanding only one means of contact was used, appropriate notification was given to and received by Mr O. This is evidenced by the reference to his letter of 27 February 2019 and the transfer instructions provided in April 2019.

The delay in actioning Mr O's transfer instructions has been acknowledged by Standard Chartered and is not therefore in dispute. I have seen that during a telephone call from Mr O to the Bank on 5 October 2023 it was identified that completion and return of a W8 BEN form was required by the Bank, which was sent by Mr O with a letter dated 5 October 2023. The account was then closed upon receipt of the letter and form.

I have noted that Mr O does not use an email address and correspondence is sent by post which often takes several weeks to arrive.

I find that the compensation of \$3,000 paid for the delay in actioning the transfer is sufficient in the circumstances. I also find that it is appropriate that Standard Chartered pay 8% simple interest on the balance of the accounts for the period April 2022 to October 2023 in the sum calculated of £6,919.43.

As regards Mr O's claim for financial loss, I have not seen any evidence that Mr O made Standard Chartered aware of his intention to invest his money. As such I find that Standard Chartered cannot be held liable for any loss of investment opportunity.

Insofar as Mr O's health issues are concerned, whilst Mr O has provided evidence that demonstrates that he suffering from hypertension, chronic obstructive pulmonary disorder (COPD) and hyperuricaemia, and is in receipt of treatment and medication, CIFO has not been provided with any professional evidence to support the assertion that Mr O's medical condition was caused or aggravated by the actions of Standard Chartered or that the cost of his treatment was a direct consequence of the Bank's actions. I do, however, acknowledge that the delay will have caused Mr O some distress and anxiety and agree that a further £500 should be paid in respect of the distress and inconvenience caused.

In summary I agree with the adjudicator's recommendation that a further net sum of £5,246.62 should be paid to Mr O.

Final Decision

My final decision is that I partially uphold this complaint.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 31 March 2025

