

## **The complaint**

Mr C complains that Tandem Bank Limited treated him unfairly by changing the interest rate on his savings account. Mr C also complains that Tandem closed his savings account.

## **What happened**

Mr C had a variable interest rate savings account with Tandem. The interest rate he had to begin with was 0.75% AER (annual equivalent rate). But this was reduced to 0.40% AER for a while.

Mr C then received an increase to 0.65% AER which he considered to be a preferential rate as it was better than the rate offered to new customers. Tandem later increased the rate for new customers (and existing customers on a lower rate) to 0.65% AER. This upset Mr C due to him no longer getting a better rate than other customers.

Tandem then reduced the rate available to new customers, but decided not to reduce the rate for existing customers.

Mr C says this is all very confusing and so he complained to Tandem about it. He said he could get a better rate elsewhere if he wanted to.

Tandem did not uphold Mr C's complaint. They explained that it is a variable interest rate savings account so the rate may go up and down on occasion. They also said they gave adequate notice of the changes. Following that, Tandem took a commercial decision to close Mr C's account.

An investigator here looked into the matter. They explained that, according to the account terms and conditions, Tandem was entitled to alter the interest rate and that they were also entitled to close Mr C's account – provided, for both matters, they gave adequate notice.

Mr C remained unhappy so the case has been passed to me to decide.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I won't be upholding Mr C's complaint because I don't think Tandem have done anything wrong. Mr C may be unhappy that the interest rate fluctuates, because he's very sensitive to such things and always wants the best rate possible. But this is a variable rate account and therefore that can happen. If Mr C wants a fixed rate account, he would be better off looking for one of those that suits his needs.

I've not seen anything to make me think Mr C wasn't given adequate notice of the change in interest rate. I note he's said he was on a preferential rate but lost that benefit when others were brought up to the same rate as him. But that was of no detriment to him, it was simply of benefit to others – a benefit he had already enjoyed for some time.

I agree, it could be seen as unfair if other customers, in the same circumstances as Mr C, had been on better terms than he was, but I've not seen anything to suggest that was ever the case.

Overall, I think Tandem acted reasonably and Mr C has not been treated unfairly by their actions. I appreciate he may see a rate reduction as unfair treatment but that alone is not the case, provided it is done so in line with the account terms.

Turning to the account closure, I think that was carried out in an acceptable manner. Tandem's terms say they will provide 30 days-notice. Tandem wrote to Mr C on 7 January 2022 to tell him his account would be closed on 7 February 2022, so I think that was fine for them to do.

I also note, in any event, that Mr C decided to take his business elsewhere because of his unhappiness with Tandem. So I don't think the account closure really made any difference to him – and it's telling that Mr C said he would've left them anyway.

From what I've seen of Mr C's complaint, it seems he expects to be rewarded for his time and effort spent in his dealings with Tandem. But that isn't how things work. Sometimes a financial services provider will ask reasonable questions of their customers and, in my view, those customers can't expect to be rewarded for answering questions or for providing details of their circumstances.

If Mr C doesn't like the service he's being provided – or feels a financial service provider is asking too much of him – then he's entitled to take his business elsewhere. And that's what he's done. But that doesn't mean the financial service provider has done anything wrong.

### **My final decision**

It is my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 May 2022.

Will Weston  
**Ombudsman**