

## The complaint

Mr and Mrs E complain about Leek United Building Society, referred to as “the business”.

They’re unhappy that it delayed the opening of their five-year, fixed rate, fixed term savings bond, by six calendar days.

## What happened

In early February 2023, the business upheld the complaint. In short, it said it took longer to process the request than it should have, but it was a very busy time for opening savings accounts. It confirmed that the investment would still run for the five years until January 2028, so Mr and Mrs E would still earn the same interest over the (full) term of the investment. In addition to apologising, the business also offered Mr and Mrs E £30 compensation (made payable to both) as a gesture of goodwill.

Mr and Mrs E rejected the offer – they maintain that they lost out financially. They say they did everything properly, but the business still failed to invest their money (a cheque for £120,000) when it said it would.

Unhappy with the resolution, in March 2023 Mr and Mrs E referred the complaint to our service. Following intervention from one of our investigators, in April 2023 the business offered them £81.27 compensation – to mark the interest they would otherwise have received in February 2023 – as full and final settlement of the dispute. But Mr and Mrs E disagreed with the latest offer, and counter-proposed their own offer, which included an additional £50 compensation and a guarantee in terms of their fixed rate.

One of our investigators considered the complaint but didn’t think it should be upheld. In summary she said:

- The business’s offer to pay £81.27 for the error/delays is broadly fair and reasonable.
- Despite what Mr and Mrs E say, she can’t justify asking the business for an additional £50 compensation.
- Given our guidance (below) the latest offer is broadly fair and reasonable:
  - *“an apology or small monetary award of less than £100 will fairly compensate a one-off incident or occurrence – such as a small administrative error or short delay...Using financial services won’t always be hassle free and we wouldn’t award for things that aren’t more serious than the normal nuisance of everyday life.”*
- In the circumstances Mr and Mrs E haven’t suffered a financial loss. Over the lifetime of the investment, they’re likely to receive the same interest payment they would’ve received had the investment started on 19 January 2023. In other words, they’ll just receive the same payment, but six days later.
- Given the delayed start date, the only impact/difference is that they received less interest on 1 February 2023, the date on which the first payment of interest was due.
- In the circumstances, they’d have to wait until the end of the term of their investment to receive the balance of this amount which is (arguably) £81.27.

- The business offered to pay the sum now, in recognition of the distress and inconvenience caused. So, they won't have to wait till the end of the investment to receive/use this amount, which is broadly fair and reasonable.
- Although Mr and Mrs E want an additional £50 for bringing the complaint to our service, that's not how compensation is paid, and a total award of £131.25 is unlikely to reflect the actual inconvenience caused. In other words, it's too much.
- In any case, our service is free, and doesn't require compensation payment just because a complainant has had to refer the complaint to our service.

Mr and Mrs E disagreed with the investigator's view and asked for an ombudsman's decision. In short, they said:

- The business failed to open the investment on receipt of their application for six days, before any action was taken. This was contrary to their terms and conditions.
- When they complained, the business manipulated the contract terms, and told them that there was no loss – however, they couldn't recoup the loss until the end of the investment in January 2028.
- In the circumstances they can't accept that there's compensation on top of the lost interest (at £81.27) because it isn't. There seems to be some illusion that they're receiving more money than they're due.
- Our service suggested that it would support an addition payment of £50 but hasn't. They're therefore requesting an additional £30 goodwill payment plus £20 for the considerable stress, inconvenient and anxiety suffered.
- The £81.27 is due under the contract at 4.12% on £120,000. It's not payment for stress and anxiety.

As no agreement has been reached the matter has been passed to me for review.

### **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.

Having done so, I agree with the investigator's conclusion, for much the same reasons. I'm going to uphold this complaint.

I do so on the basis that the business offered Mr and Mrs E a payment of £81.27, which the investigator thinks is fair, and the business should pay if they agree.

On the face of the evidence, and on balance, despite what the business says, I don't agree that £30 compensation for distress and inconvenience is fair. However, I do think the revised offer is broadly fair and reasonable.

Before I explain why this is the case, I think it's important for me to recognise the strength of feeling Mr and Mrs E have about this matter. They have provided submissions to support the complaint, which I've read and considered carefully. However, I hope they won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading or undertake a forensic analysis of the evidence. It's not what I'm required to do in order to reach a decision in this case. I appreciate this can be frustrating, but it doesn't mean I'm not considering the pertinent points in this case.

My role is to consider the evidence presented by Mr and Mrs E and the business, and reach what I think is an independent, fair, and reasonable decision based on the facts of the case – I'm not here to take sides.

In deciding what's fair and reasonable, I must consider the relevant law, regulation, and best industry practice, but perhaps unlike a court or tribunal I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely than not to have happened.

I uphold this complaint, in brief, for the following reasons:

- I note that the business has recently offered an amount of compensation in the sum of £81.27, after discussing matters with the investigator, in respect of the interest payment Mr and Mrs E were likely to receive in February 2023 (but didn't) due to the delay in starting their investment.
- It seems that this payment is a one off, and on top of/separate to whatever interest Mr and Mrs E are likely to receive in due course from their five-year investment.
- I note that the business hasn't attached any conditions to this payment and isn't asking for it to be offset or paid back at the end of the investment, so Mr and Mrs E don't need to worry about that. If it did, I might consider a small payment for distress and inconvenience appropriate, but that's not what I'm dealing with here.
- Despite what Mr and Mrs E say, I'm not persuaded that they've suffered a financial loss – I can't agree that this is payment for a (purported) loss they've suffered, because they're still due the full interest payments from their investment.
- In other words, the compensation payment is akin to a compensation payment for distress and inconvenience which I think the business should've made clear from the outset when it made the latest offer.
- I'm satisfied that the revised offer is equivalent to £40 each which I think is broadly fair and reasonable in the circumstances for the six-day delay. I note it's also £50 more than what the business initially offered.
- In the circumstances, I don't think Mr and Mrs E are entitled to any further compensation, and I'm not persuaded that the business has done anything wrong by not offering an additional £50 compensation.
- I agree with the investigator that given our guidance – namely in relation to a one-off small error with no financial loss – the latest revised offer is fair and reasonable.
- Just because Mr and Mrs E have had to refer their complaint to our service, doesn't mean that they're entitled to greater compensation. As our investigator mentioned our service is free of charge for consumers.

I appreciate Mr and Mrs E will be thoroughly unhappy I've reached the same conclusion as the investigator in terms of the latest offer, and I realise my decision isn't what they want to hear.

I note Mr and Mrs E believes they're due more compensation, but I don't agree. Whilst I appreciate their deep frustration and anguish, I'm not going to ask the business to do anything, other than to pay them £81.27 it recently offered.

On the face of the available evidence, and on balance, despite what they say, I'm unable to give Mr and Mrs E what they want.

### **Putting things right**

Leek United Building Society must pay Mr and Mrs E £81.27 compensation.

**My final decision**

For the reasons set out above, I uphold this complaint.

Leek United Building Society should pay Mr and Mrs E compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs E to accept or reject my decision before 17 August 2023.

Dara Islam  
**Ombudsman**