

The complaint

Mr B complains that Yorkshire Building Society (YBS) have provided him with poor customer service regarding a matured fixed rate bond.

What happened

Mr B says YBS staff have been unclear and unhelpful. He had a fixed rate bond which matured, and he says he wasn't told by a call handler that he and his mother spoke to that if he didn't give them instructions for the account by 31 January 2023 that the funds would be reinvested into another product which would be subject to a penalty of 60 days interest. Mr B says he was promised call backs from YBS, but this didn't happen. Mr B made a complaint to YBS.

YBS partially upheld Mr B's complaint and they offered £35 compensation. They said that Mr B's mother had spoken to them before his account matured and asked them to put the account on hold when it matured, so he could decide what to do with the account. They said the call handler at the agency did not highlight the terms and conditions of the account and that they would not be able to put a hold on the account as when the account matured he would have a full month to make a change, but if he didn't do this then the account would automatically change to the default account offered in his maturity pack. Due to how Mr B spoke to several call handlers, they said they would be closing his account. Mr B brought his complaint to our service.

Our investigator partially upheld Mr B's complaint and he said YBS should pay Mr B a further £65 to total £100 compensation. He said YBS issued a maturity letter to Mr B in December 2022, which clearly explained his options when his bond matured at the end of December 2022. He said although Mr B told the call handler he wanted to hold the funds (until around April) as he was expecting interest rates to rise, there was no call recording of this, although YBS accepted Mr B's recollection of the call.

Our investigator said that Mr B also made several calls to YBS requesting to speak to a manager or agreeing to have somebody call him back, but this never transpired, so YBS should have called Mr B back if a manager wasn't instantly available. He said although Mr B was very upset and frustrated when he was unable to speak to a manager and he felt he was being lied to, this in no way justified Mr B's language and behaviour towards YBS' staff, and he could understand why YBS took the decision to end the relationship. Mr B asked for an ombudsman to review his complaint.

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.

There is no call recording when Mr B/his mother spoke to YBS prior to the account maturing. YBS have explained to us that this is because they rang one of their agencies. Their calls are not recorded by their call recording system as there are separate business telephone systems. So unfortunately I can't hear exactly what was said or how things were positioned

here. But YBS have accepted Mr B and his mother's recollection of the call. And they have said that the call handler should have highlighted the terms, so they did offer £35 for poor customer service.

I've considered whether Mr B should have been reasonably aware that there was a deadline to let YBS know what he wanted to do with the bond. I can see that YBS sent a letter to Mr B in December which he and his mother acknowledged they received. I'm satisfied that YBS clearly explained the process of what would happen. And the letter shows bold text on the first line of the letter which says *"Your Fixed Rate Bond matures soon – decide what you'd like to do by 31 January 2023"*.

So even if Mr B didn't read the full letter, I'm persuaded that the bold text informed him his bond was maturing soon and he had to decide what he wanted to do by 31 January 2023. The next sentence of the letter says *"When your bond ends on 31 December 2022, you'll have one month to let us know what you'd like to do with your money, and we've outlined your options below"*. So again, I'm satisfied the letter was clear that Mr B had one month to let him know what he'd like to do with his money.

The letter then shows different options with the first option showing the funds being transferred into a bond until 31 December 2024. The letter says *"On 1 January 2023 your funds will automatically move into this Fixed Rate Access bond"*. So I do think that Mr B was fully informed what would happen with the funds once the bond matured. In this section it shows *"You'll have full access to your money between 1 January 2023 to 31 January 2023 when you can add to/withdraw from or close your account without losing any interest"*.

So although Mr B has said his mother wasn't told she couldn't place the funds on hold until April, the letter explains that he would have full access to his money between 1-31 January 2023 without losing any interest. The letter then says *"From 1 February 2023 to 31 December 2024 you'll lose 60 days' interest on any amount withdrawn"*. So again, I'm satisfied that the letter YBS sent Mr B prior to the account maturing was clear that if any funds were withdrawn from 1 February 2023-31 December 2024, there would be a loss of interest for making a withdrawal.

The letter shows two other options in bold text. One of these is to transfer the funds to another account and the other option is to close the account when the bond ends. So I'm satisfied that YBS were clear with what would happen when the account matured, and the deadline with which he had to act to avoid an interest penalty if he accessed the funds from 1 February 2023. So while Mr B would have liked YBS to show some flexibility in their approach regarding enforcing the interest penalty, I can't say that YBS were unfair to enforce the interest penalty when they had clearly set out to Mr B in writing what would happen on maturity.

YBS took the decision to close the bond down due to Mr B's conduct on some of the phone calls he had with them. I've looked at their general terms and conditions for their savings accounts. I'm satisfied that YBS have acted in line with the terms here. While the terms say they could immediately close his account, YBS did allow him 14 days to withdraw the funds himself if he wanted to. Having listened to several calls Mr B had with YBS, I'm satisfied they weren't acting unreasonably by taking this action.

But YBS did let Mr B down on occasion. An expectation was set for him that a manager would call him back. While he did speak to a manager on one call I've listened to, an expectation was set for him on another call that a manager would call him back later that day. And this didn't happen. This would be distressing for Mr B not to receive a call back that he was promised, especially as his frustration was audibly clear on the calls I listened to. He was then inconvenienced by having to call YBS back to find out why a manager didn't call

him back and he frequently asked to speak to a manager or someone superior to the call handler, only to be told there wasn't anyone available.

So I've considered what would be a fair outcome for this complaint. Although YBS may not have highlighted the specific terms to Mr B or his mother prior to the bond maturing on the call to the agency, I'm satisfied the letter YBS sent Mr B was clear on what would happen when the account matured. And so I can't say YBS were at fault if Mr B did not read the contents of the letter they sent him – even if he was busy at the time. So it would not be proportionate to ask them to refund any interest penalty he was charged for any account closure from 1 February 2023, when YBS had previously put this in writing to him.

But I do think YBS let Mr B down if they gave him the impression he could make a decision in April about what he could do with the funds, without highlighting to him that he would need to make the decision before 1 February 2023. And he either should have been given a call back by a manager in the agreed timeframe, or he shouldn't have been promised a call back in the first place. So I'm not satisfied that £35 compensation is proportionate for what happened.

Our investigator has suggested an extra £65 compensation to total £100 compensation for what happened here. I'm satisfied that this is fair. I'm satisfied that it reflects that Mr B has been distressed and inconvenienced by poor customer service from YBS and it is in line with our compensation for awards based on what happened here. So it follows that I will be asking YBS to pay Mr B a total of £100 compensation, less anything they have already paid him.

Putting things right

Our investigator suggested that YBS pays Mr B a further £65 to total £100 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. Yorkshire Building Society should pay Mr B £100 (less anything they have already paid him) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 October 2023.

Gregory Sloanes
Ombudsman