

The complaint

Mrs W took out an offer available to Nationwide Building Society ("Nationwide") members called the Fairer Share 2 Year Fixed Saver at 4.75%. Mrs W complains that the statements about this product being special and fairer to members were not true as other institutions were offering a better rate and is unhappy she wasn't able to withdraw her money early or receive a better interest rate.

What happened

Mrs W opened a Fairer Share 2 Year Fixed Saver paying 4.75% interest on 19 May 2023. The product was withdrawn from sale on 4 July 2023.

The terms and conditions provided at the time of opening the account state that the interest rate is fixed for the term and closures are not permitted except in exceptional circumstances. Before proceeding Mrs W would've had to agree to this and was given 14 days to change her mind.

Following opening the account and after the 14 days cooling off period, Mrs W decided she wanted to take advantage of a higher rate advertised elsewhere.

Mrs W complained to Nationwide that she was getting a lower rate compared to what was available.

Nationwide didn't uphold Mrs W's complaint. It says no error was made as Mrs W signed up for a fixed interest rate at the time she opened the account and the terms and conditions state it won't change the interest rate during the fixed period.

Mrs W was dissatisfied with this, she wants Nationwide to repay the money she invested with interest. Furthermore, Mrs W is unhappy that Nationwide failed to communicate with her by email despite stating this was her preference and so brought her complaint to this service.

One of our investigators looked into Mrs W's concerns and didn't recommend her complaint was upheld as the terms and conditions of the product stated that the interest rate was fixed for the term and that closures weren't permitted except in exceptional circumstances and as such, they didn't think Nationwide had made an error or acted unfairly.

Mrs W disagreed, as other businesses offer better terms yet Nationwide described the product as 'fairer share' and has asked for an ombudsman's final decision.

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.

My role is to look at problems that Mrs W has experienced and see if Nationwide has done anything wrong or treated her unfairly. Our investigator has already given a detailed

response to Mrs W's complaint and I don't think there is anything much more of use I can add.

The crux of Mrs W's complaint is surrounding the description and terms of Nationwide's Fairer Share account. In particular Mrs W believes the product name to be misleading as she can get a better rate of interest elsewhere and is unhappy she's unable to switch products.

Before I go any further, I want to be clear in saying that I haven't considered whether the various rates of interest Nationwide pays are fair and reasonable, or in-line with what other providers offer. Ultimately, what rate of interest a business provides for deposits held with it and its reasons why is a commercial decision. Just like it is up to Mrs W to decide whether to accept what Nationwide is offering or to take her business elsewhere. Indeed, this is the mechanism Mrs W and other customers have to challenge interest rates and encourage competition in the market.

Furthermore, this service doesn't supervise, regulate or discipline the businesses we cover – it that's the role of the regulator, in this case the Financial Conduct Authority (FCA). And as we are not the regulator, I can't tell Nationwide what products it should offer, on what terms or how to describe them.

We do take however, relevant law and regulation into account when arriving at our decisions, but I should point out that The Consumer Duty is a new standard introduced by the FCA on 31 July 2023, and as such it doesn't apply to acts or omissions that occurred before this time and so I won't be looking at this in regard to Mrs W's complaint – but rather the principles laid out by the FCA at the time Mrs W made her investment.

So, while I won't tell a business what products it needs to offer and how it should do this, I would expect that any information it does provide to its customers when deciding to invest in a product – such as the product Mrs W invested her money in - needs to be communicated in a clear, fair and not misleading way. And in Mrs W's case I think it was.

Having looked at the terms and conditions of the of the account that were provided to Mrs W when she invested her money - and which she had to agree to - I think it makes it clear what she was investing her money in. In particular the important information I think she needed was provided under separate subject headings in bold and explained:

1. that she is investing for a period of two years;
2. at the fixed rate as advertised when she opened the account; and
3. she has a 14-day cooling off period to change her mind after which she can't take any money out or close her account before the end of the fixed term.

I appreciate Mrs W doesn't think that the rate she was getting was fair compared to other providers. But the rate advertised was clear and it was up to her to decide whether this was fair *for her* compared to what else was on offer.

I think a reasonable person would understand that there's always a chance that the rate of interest on offer could be higher or lower elsewhere and that interest rates fluctuate both up and down. So, something that might be a good deal one day might not be such a good deal the next. I don't think it would be fair to penalise Nationwide for something out of its control such as this.

Furthermore, I don't think it is unfair or unreasonable Mrs W couldn't move her money without penalty following the expiry of the 14-day grace period. Nationwide is only offering

this rate in return for a commitment to hold funds with it for a fixed period of time. This is not unusual with fixed term investments as without such a terms businesses run the risk of making a loss. Indeed, one of the comparison's Mrs W has provided us with showing what she could get elsewhere confirms the exact same term.

I understand Mrs W would like some clarification surrounding any early closure fees that might apply. I'm unable to comment on this as I don't have that information so Mrs W should contact Nationwide directly about this query.

Finally, Mrs W is unhappy that Nationwide didn't communicate with her in-line with her preferred method of contact. She believes she informed Nationwide that her preferred contact method was by email. Nationwide says it didn't have a note on file reflecting this and so contacted Mrs W by its usual method over the phone.

Nationwide has provided us with a copy of its webchat with Mrs W when she raised her complaint. I can see on it Nationwide asked her to confirm her contact details including her email address if she was happy to be contacted by email, but it doesn't appear Mrs W responded. It might well be that an error occurred when Mrs W responded, or she provided her email address but didn't make it clear that is how she preferred to be contacted. But from the information I have I can't say that Nationwide ever received this and so I can't say Nationwide made an error when it contacted her over the phone regarding her complaint.

So overall, having considered everything I don't think that Nationwide has made an error or treated Mrs W unfairly as she was given what I consider clear, fair and not misleading details of the product she applied for, and it follows that I do not uphold Mrs W's complaint.

My final decision

For the reasons I've explained, I do not uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 1 April 2024.

Caroline Davies
Ombudsman