

## **The complaint**

Mr C is unhappy with several aspects of the service that he's received from Cynergy Bank Limited.

## **What happened**

To briefly summarise: Mr C was interested in opening an online notice account ("ONA") with Cynergy to take advantage of the interest rate offered on the account. The ONA had a 95-day notice period, and Mr C was concerned that if interest rates went up – as they were at that time – that Cynergy would release a newer issue of the ONA with a more beneficial interest rate that he wouldn't be able to immediately access. The ONA also had a 14-day cooling off period during which the account could be closed without notice.

Mr C asked Cynergy whether, if he opened an ONA, he would be able to move money in that account to a newer issue of Cynergy's ONA without the need for a notice period. And Cynergy's agent confirmed to Mr C that the requirement for a 95-day notice period wouldn't apply in those circumstances. Having received this information, Mr C opened a Cynergy ONA that same day and deposited into it.

Eight days after he'd opened the ONA, Cynergy released a new issue of the ONA which benefited from a higher rate of interest. Because Mr C was still within the 14-day cooling off period for his recently opened ONA, he was able to close his account and open the newer issue ONA.

Approximately a month later, Cynergy again released a new issue of the ONA which had a more beneficial rate of interest. Mr C again tried to close his existing ONA and move to the newer issue, to benefit from the higher interest rate, but found that he was unable to do so because he was outside the 14-day cooling off period and because he was required to provide 95 days' notice to withdraw money from his existing ONA. Mr C wasn't happy about this, given that he'd previously been told by Cynergy's agent that this wouldn't be the case. So, he raised a complaint.

Cynergy responded to Mr C but initially said that their agent hadn't told him that the notice period wouldn't apply, as Mr C claimed. Mr C asked Cynergy to review the call again, and this led Cynergy to reverse their position and confirm that Mr C had been given incorrect information by their agent. Cynergy apologised for what had happened and offered to pay £54.55 to Mr C as a reimbursement of interest he had lost because of their error, as well as a further £50 as compensation for any trouble or upset Mr C may have incurred.

While Cynergy had been investigating Mr C's complaint, he'd noticed that the interest rate on his ONA had gone up. Mr C asked Cynergy about this and was told that it had been increased as part of the resolution of his complaint. But Mr C noted that this wasn't something that had been mentioned in the complaint response letter that Cynergy had sent to him, and Cynergy later confirmed that the increase in the interest rate had nothing to do with Mr C's complaint but was rather an increase of the variable interest rate on the account that had been applied to all ONA's of that issue.

Mr C wasn't happy about this, and he also wasn't satisfied with the response to his complaint that Cynergy had sent him. So, he referred his complaint to this service. One of our investigators looked at this complaint. They felt that Cynergy's offer to reimburse £54.55 lost interest was fair. But they felt that Cynergy should increase their offer of compensation for the frustration and inconvenience that Mr C had incurred to £100. Cynergy accepted the recommendation put forward by our investigator, but Mr C remained dissatisfied. So, the matter was escalated to an ombudsman for a 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.

I issued a provisional decision on this complaint on 8 May 2024 as follows:

*I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.*

*I also note that Mr C has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr C for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.*

*This means that if Mr C notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr C and Cynergy. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.*

*Cynergy have accepted that their agent provided incorrect information to Mr C, and they've also accepted that Mr C did most likely open an ONA with them on the basis of that incorrect information.*

*Where a business accepts that it made a mistake, it would generally be expected by this service that the business would take the corrective steps necessary to return their customer to the position they should be in – as much as is reasonably possible – had the mistake never occurred.*

*Cynergy feel that they've done that here. This is because Cynergy have accepted that Mr C did find himself requiring to provide 95-days' notice on their ONA because of the incorrect information he was given. And because of this, Cynergy have offered to pay £54.55 to Mr C, which is what they calculate is the additional interest Mr C may have obtained on his money, had he been allowed to withdraw it from the ONA without a 95-day notice period, as he was incorrectly told that he could.*

*Mr C feels that Cynergy should pay him lost interest from 29 June 2023 – which was when he wanted to move to a newer issue ONA but found that he couldn't – until 16 October 2023, which was when he was able to move his money from the ONA, having given the required notice of his intention to do so.*

*But I feel that Mr C reasonably should have given notice to Cynergy that he wanted to withdraw his money from the account on 29 June 2023, when he learned that he would need to provide such notice. And so, I feel that Cynergy should only fairly be instructed to pay lost interest to Mr C for 95 days after 29 June 2023 – until 2 October 2023.*

*Mr C also feels that Cynergy should pay him lost interest on money that he deposited into the ONA after he'd learned that the 95-day notice period would apply. But I don't feel that this should be the case because I feel that Mr C deposited that additional money with the understanding that he wouldn't be able to move it from the account without providing the required notice to do so. Rather, I feel that Cynergy should only be fairly instructed to pay lost interest on £94,546.48 – the balance of the ONA as it was on 29 June 2023.*

*On this basis, I calculate the difference in the interest that Mr C could have potentially earned, had he been able to move his money in the manner that he'd incorrectly been told that he could, and the interest that his £94,546.48 did earn for 95 days after 29 June 2023, to be £84.13. And so, I'll be provisionally upholding this complaint in Mr C's favour and instructing Cynergy to pay this amount to Mr C as a potential loss of interest payment. Details of my calculation are as follows:*

		<u>Days</u>	<u>Balance</u>	<u>Actual Rate</u>	<u>Potential</u>	<u>Loss</u>
29/06/2023	16/07/2023	18	£94,546.48	4.26%	4.65%	£18.18
17/07/2023	09/08/2023	24	£94,546.48	4.26%	5.10%	£52.22
10/08/2023	02/10/2023	53	£94,546.48	5.40%	5.50%	£13.73
						<b>£84.13</b>

*It would also be generally expected by this service in this scenario that Cynergy would compensate Mr C for the trouble and upset he's experienced resulting from their mistake. In this instance, this includes the provision of the incorrect information to Mr C on 29 June 2023, but also the service that Mr C received from Cynergy after this, including that Mr C was given further incorrect information about why the interest rate had gone up on his ONA.*

*However, a complicating factor here is that this service can't consider a point of complaint about how a business has handled a complaint. This is because, as the Financial Ombudsman Service, this service only has a remit to consider points of complaint about regulated financial matters. And how a business handles a complaint isn't itself a regulated financial matter – even when that complaint is itself about a regulated financial matter.*

*In their view of this complaint, our investigator recommended that Cynergy should increase their payment of compensation from £50 to £100. This feels fair to me, given the level of inconvenience and upset that Mr C has experienced here which it is within my remit to consider, and in consideration of the general framework which this service uses when assessing compensation amounts – details of which are available on this service's website.*

*And I can confirm that the payment of £100 is commensurate with what I might have instructed Cynergy to pay, had they not already agreed to do so.*

*Accordingly, my provisional decision here is that I uphold this complaint in Mr C's favour and instruct Cynergy to pay £184.13 to him – consisting of £84.13 as a loss-of-interest payment and a further £100 by way of compensation for the trouble and frustration that Mr C incurred.*

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Neither Mr C nor Cynergy have raised any objection to my provisional decision. As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mr C's

favour on the basis described above. And I confirm that my final decision is that I do uphold this complaint in Mr C's favour on the basis described above accordingly.

### **Putting things right**

Cynergy must make a payment of £184.13 to Mr C.

### **My final decision**

My final decision is that I uphold this complaint against Cynergy Bank Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 July 2024.

Paul Cooper  
**Ombudsman**