

## The complaint

Mr T complains about a savings account he held with The Chorley and District Building Society ("CDBS").

## What happened

On 1 July 2021, Mr T opened a Regular Saver Account with an interest rate of 1.05%. The rate remained at this figure between this date and 30 June 2022, despite multiple changes and increases to the Bank of England's base rate. During this time, Mr T made monthly deposits of £250 into the account, with the expectation that his funds would accrue interest to bring the balance in line with the estimated figure CDBS provided in its product information.

Mr T was unhappy that the rate on his account hadn't varied despite the deposits he made and the increases in base rate. He also came to realise that the illustration CDBS provided was unachievable in reality, based on how CDBS administers payments and interest. He complained to CDBS about this, saying that the way it had administered his account disenfranchised loyal customers who made regular monthly credits to their accounts and that the estimation of the earnings was misleading. Mr T said that along with these concerns, CDBS had miscalculated how much interest he was due as of 30 June 2022 by £0.12p.

CDBS responded to the complaint to say that its savings accounts aren't linked to the Bank of England's base rate and so it made a business decision not to increase the rates on the Regular Saver Account, even where it had on other savings accounts. It maintained that it had acted in line with regulatory requirements in respect of how it had marketed this product and in the information it provided around this.

CDBS did however acknowledge that it had miscalculated the interest due to Mr T on 30 June 2022. However, it said that it hadn't underpaid Mr T (as he believed) but instead had overpaid him £0.15p. It did however pay him the 0.12p he felt he was missing. Mr T went back to CDBS with further points that he felt hadn't been satisfactorily resolved. These included why CDBS hadn't contacted him to clarify the balance of his account and the interest earned. CDBS explained that this had only come to light when it had investigated his concerns.

Unhappy with CDBS' responses, Mr T brought his complaint to this service where one of our investigators looked into it. They were satisfied that the account wasn't linked to the Bank of England base rate and that CDBS was entitled to make a business decision not to vary the rate on the account. They also noted that while the term of the account was 12 months, Mr T wasn't obliged to make a regular monthly payment to the account.

In respect of the calculations of interest, the investigator found that the information it provided was clear that the estimated amount of interest that would be earned was only an estimation and for illustration purposes only. The information provided around how the balance and accrued interest would be paid into a nominated account was clear. The investigator was satisfied that by refunding the overpayment, CDBS had dealt with Mr T's complaint fairly and reasonably.

Mr T disagreed, saying (in summary):

- It wasn't clear that he could stop making regular deposits to this account
- CDBS had acted in a discriminatory way by choosing not to increase the rate on his fixed term account while doing so for other accounts.
- The estimated interest figure wasn't ever attainable and needed to have more context around it for a customer to realise this

So the complaint was passed to an ombudsman.

### **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'm aware that I've summarised this complaint in less detail than Mr T has provided. I've carefully thought about everything that he's said and provided, but if there's something that I've not mentioned, it isn't because I've ignored it. I haven't. Instead, I'm satisfied I don't need to comment on everything that Mr T has said to be able to reach what I think is a fair outcome. So in line with our role as a quick and informal service, I've focused on what I think the key issues are here.

#### CDBS not varying the interest rate

The terms and conditions for Mr T's Members Regular Saver account state:

*This account has a variable rate of interest and is subject to changes; this means we may increase or decrease interest rates at any time; if we reduce the interest rate we will give you 14 days notification prior to the change.*

*Please refer to section 7 of the Savings Account Terms and Conditions for details for further information on this.*

The relevant section of the Savings Account Terms and Conditions then goes on to state:

*We may change interest rates at any time for the following reasons*

There is then a list of various reasons that CDBS may change the interest rate on an account like the Members Regular Saver. In my view, the information provided in these terms makes clear that it is at CDBS's discretion to vary the rates. Nowhere in any of the information that Mr T would have been provided have I seen anything that suggests that the rate on this account would increase in line with the Bank of England's base rate or that CDBS would increase the rate to be more competitive or the rates on other accounts.

CDBS made a business decision to raise the interest rates on other accounts that it offered during the period relevant to Mr T's complaint. I realise that will be frustrating for Mr T, who expected CDBS to recognise the regular deposits he was making to the account. I understand his point here, but I don't think CDBS ever gave the impression that it would do that based on what I've seen.

I'd add that at the time of this complaint, there was no requirement on CDBS to assess the value of its products or to provide a certain rate of interest on a product like this. The Financial Conduct Authority did introduce its Consumer Duty on 31 July 2023 which

(amongst other things) required firms to assess its products in respect of providing customers with fair value – but this wasn't retrospective and didn't apply at the point that Mr T complained to CDBS.

Ultimately CDBS was entitled to decide what rates it applied to its products and where the terms are clear that it 'may' vary rates – I can't say it's acted unfairly by not changing the rates here. I realise that Mr T feels that CDBS has discriminated against him and other customers by not increasing the rate, but I haven't seen any evidence to support that's the case, even if I realise Mr T will view this very differently.

Mr T has said that he felt fixed to the product by having to make regular deposits into it. But, the information CDBS gave him doesn't, in my view, suggest that Mr T is bound to make a monthly deposit. The product summary states that there is a maximum monthly deposit of £250. Mr T makes the point that there is nothing to suggest he could stop making the payments – but equally, on an impartial reading, nor have I seen anything to suggest that he was obliged to make such payments as a term of the account. The section that covers withdrawals and early closure relates specifically to those facilities, rather than making deposits.

So I can't see that CDBS has acted unfairly in the information it has provided around this account and not varying the interest rate.

#### The estimated balance figure

Mr T makes the point that the estimated balance figure CDBS provided in the information it gave him before he opened this account could never be achieved. He says this is the case based on factors such as bank holidays, weekends and the method of withdrawal when the term of the account finishes.

CDBS is entitled to decide how it calculates and represents estimated figures like this for customers and prospective customers alike. It's not for this service to tell it to change that. What I've considered is what the impact of this was in the individual circumstances of this complaint.

Considering all the circumstances here, I haven't found that such a figure was materially misleading. The wording of this offer comes under the heading '*What would the estimated balance be at the end of the fixed term period based on a £250 per month deposited*'. After it provides the relevant figure, CDBS explains '*This figure is for illustration purposes and is based on no withdrawals and changes interest rate within the 12 month period*'.

So in my view, this figure is clear that it is an estimation for illustration purposes only. It's a tentative, approximate figure to give a customer an idea of what they stand to earn at the end of the relevant term here based on regular deposits of £250 to help them understand whether this account is right for them. Ultimately, this figure served the described purpose here, as I note that by Mr T's own calculations he felt that he was short £0.12p against the estimated figure. This turned out to be a £0.15p overpayment when CDBS looked into Mr T's concerns further.

I think many customers would think that any estimate which ended up looking to be only £0.12p short meant this figure had functioned as described, given the nominal amount of the discrepancy. But in the circumstances here, Mr T felt strongly that CDBS had both misrepresented the figure and was unhappy with the calculation. So I was pleased to see that CDBS investigated Mr T's concerns in some detail. As a result of this investigation it found that rather than withholding £0.12p from him, it had in fact overpaid him by £0.15p. Regardless of this, it refunded him the £0.12p which strikes me as a pragmatic way of dealing with this situation.

Mr T says that the way that CDBS dealt with this situation was dishonest and suggests that this is indicative of wider problems with CDBS's record keeping. I've considered all he's said around this, but based on what I've seen of the circumstances of this complaint – it looks to me that CDBS investigated an issue Mr T raised, noted that it had made an error in a calculation and refunded the disputed amount. It then explained how this had happened.

This may not have been backdated or processed in the way Mr T wanted and expected – but I nonetheless think that it was fair that CDBS refunded him the amount he had queried. It also sent him evidence to reflect the adjusted balance for his records in respect of how it had administered and processed the overpayment. I think that was a fair and reasonable resolution to this part of his complaint.

So overall, while Mr T's strength of feeling is noted and his detailed submissions have been helpful for my understanding of the complaint – I'm satisfied that CDBS has dealt with his complaint fairly and reasonably. It follows that I won't be telling it to take any further action.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 24 October 2025.

James Staples  
**Ombudsman**