

## **The complaint**

Mr K complains about delays by Paragon Bank Plc trading as Paragon when processing an application to add an additional account holder to his fixed rate bond.

## **What happened**

Mr K opened a fixed rate ISA with Paragon in September 2021 that matured the following year. Mr K went on to move the matured ISA funds into a one year fixed rate bond. Mr K's explained he thought he'd opened another ISA but had opened the bond by mistake.

On 28 September 2023 Mr K called Paragon to discuss the maturity of his account and it came to light he had opened a bond in 2022, not an ISA. On 29 September 2023, Mr K spoke with Paragon again and asked how to add his wife to the fixed rate bond before it matured on 6 October 2023. The agent Mr K spoke with explained he could download an additional account holder application form and return it by email.

Mr K completed the additional account holder application with his wife and emailed it to Paragon on 2 October 2023. The email returned an automated response that said Paragon would be in touch within two days.

Mr K called Paragon again on 4 October 2023 for an update. The email Mr K sent was found and forwarded to the relevant department to process. The agent Mr K spoke with advised the application may not be processed before the maturity date of his existing one year fixed rate bond.

On 6 October 2023 Mr K's existing one year fixed rate bond matured, before Paragon processed the application to add an additional account holder. Mr K spoke with Paragon and a call back was agreed. Paragon spoke with Mr K again on 9 October 2023 and it was confirmed that the additional account holder couldn't be added to the one year fixed rate bond as it had already matured.

Mr K raised a complaint and Paragon issued a final response on 25 October 2023. Paragon said the email response Mr K had received advising it would respond within two working days related to queries it had been sent. Paragon explained that applications to add additional account holders take five working days to process. Paragon said the application had been reviewed in that timescale but the account had already matured. Paragon confirmed Mr K's wife had been added to the new fixed rate bond it opened. Paragon sent Mr K a cheque for £25 to apologise for failing to call him back as promised.

Paragon issued another final response to Mr K on 23 November 2023 and offered further apologies for failing to call him back. Paragon didn't agree it had made mistakes with the additional account holder application but sent Mr K a cheque for a further £30 to apologise for the service provided.

Mr K referred his complaint to this service and explained that because he'd been unable to add his wife to the one year fixed rate bond he'd incurred a higher tax bill on the interest. Mr K said he wanted Paragon to compensate him by paying £321.60, representing the

additional tax he'd paid. Our investigator reviewed Mr K's complaint and asked Paragon to increase the award for the service provided to £100. But the investigator noted the additional account holder application was sent to Paragon on 2 October 2023 and required five working days to process. However, the existing one year fixed rate bond matured on 6 October 2023 which meant there wasn't enough time to process the application.

Mr K asked to appeal and said Paragon had failed to make it clear he may not have had time to add his wife before the existing one year fixed rate bond matured. Mr K asked for £321.60 representing the additional tax he'd incurred. As Mr K asked to appeal, his complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr K is frustrated that there wasn't sufficient time to add the additional account holder to the one year fixed rate bond. Mr K's explained he had a higher tax bill as a result and wants Paragon to cover the difference. But I have to be fair to both parties and I think it's reasonable to say that when Mr K realised the existing account wasn't an ISA on 29 September 2023 there was only a limited amount of time left to add his wife before maturity on 6 October 2023. During the call on 29 September 2023 the agent explained what Mr K needed to do and he confirmed he would download the application and return it by email.

Mr K's made the point that when he emailed the application to Paragon on 2 October 2023 he received an acknowledgement that said it would be in touch within the next two working days. But Paragon's made the point Mr K didn't use the email address noted on the additional account holder application form. Mr K used a general email address for Paragon's savings department that gives a standard automated response. I've looked at the additional account holder application and can see it quotes a different email address to be submitted to. So whilst I understand Mr K received an automated response that said Paragon would get in touch within 48 hours, I'm satisfied it wasn't confirming that was the timescale for processing the application itself.

Ultimately, the application wasn't processed by Paragon before the one year fixed rate bond matured. But Paragon's explained it can take five working days for an additional account holder application to be processed. Mr K's application was received on 2 October 2023 but the account matured on 6 October 2023 which meant there wasn't enough time. I'm sorry to disappoint Mr K but I haven't been persuaded that Paragon made a mistake or failed to follow its standard timescales when dealing with his additional account holder application. As a result, I haven't found grounds that allow me to award the additional tax Mr K's incurred.

I agree with the investigator that there were service issues by Paragon, including failing to call Mr K back as promised. Whilst I'm satisfied the service issues didn't impact the application process overall, I agree they did cause Mr K an unnecessary level of trouble and frustration. So, I'm going to proceed on that basis and uphold Mr K's complaint, directing Paragon to pay him a total of £100 for the distress and inconvenience caused. In my view,

that figure fairly recognises the impact of the service provided to Mr K and is a fair way to resolve his complaint.

### **My final decision**

My decision is that I uphold Mr K's complaint and direct Paragon Bank Plc trading as Paragon to pay him a total of £100 (less any compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 29 October 2024.

Marco Manente  
**Ombudsman**