

The complaint

Mrs G complains that Paragon Bank PLC (Paragon) misled her about taking out multiple cash ISA's. She would like Paragon to allow consumers with a Paragon cash ISA to be able to take out cash ISA's with other providers or make it clear that this is not possible.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate Mrs G's frustration at not being able to take out cash ISA's with other providers once she had taken one out with Paragon. I have noted what Mrs G is seeking for redress, but I need to make it clear that in this decision I can only look at Mrs G's situation and if Paragon has done anything wrong. I can't consider any wider impact on consumers.
- ISA rules changed with effect from April 2024 allowing, with some exceptions, multiple ISA's in the same tax year subject to the overall maximum amount that can be put into ISA's. It's important to note however that this isn't a mandatory change, individual ISA providers can limit subscriptions to only one ISA with them as Paragon has. However, Paragon does allow customers to take out multiple cash ISAs with them. So, I think it's important to note that Paragon hasn't done anything wrong in imposing this restriction.
- I think the main issue here is that Mrs G says this limit wasn't made clear to her. She has told us she was used to the standard warning not to subscribe to another cash ISA in the same tax year, but this was removed in the declaration she signed when she applied for the isa with Paragon. The wording Mrs G referred to related to the HMRC limit that previously applied to ISA applications, so I don't think Paragon were wrong to remove this.
- I have noted in its final response letter Paragon acknowledged both Mrs G's point about the wording of the ISA declaration and the confusion in an article on Paragon's website about the number of cash ISA's customers can have. It said it would send her feedback to its continuous improvement team which it has evidenced that it has done so. So I do think Mrs G's concerns have been noted and taken seriously which may give her the redress she sought
- Additionally I have noted that in its final response letter Paragon acknowledged it could have provided more clarity on its ISA rules in a phone call with Mrs G. Having listened to that call I would agree. Paragon paid Mrs G £40 compensation for giving her misleading information during this call which I think was reasonable

My final decision

My final decision is that I don't uphold this complaint as I have found Paragon Bank PLC's actions reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 11 November 2024.

Bridget Makins
Ombudsman