

The complaint

Ms D complains that Shawbrook Bank Limited didn't allow her to remove her money from a matured bond and she missed an investment opportunity.

What happened

Ms D says her fixed rate bond with Shawbrook matured on 1 September 2023. She moved the funds to an easy access account with the bank, but she says that when she tried to make a withdrawal on 8 November 2023, Shawbrook told her it didn't have a record of her nominated account. Ms D says she uploaded the nominated account details immediately but was then told they couldn't be verified even though it was the same nominated account she'd had for the bond. She says that by the time they told her she could withdraw her funds on 14 January 2024, she could no longer deposit them in a five-year bond paying 5.8% and instead ended up putting the money in a three-year fixed rate bond at 4.86%.

Shawbrook says it was following procedure by verifying the nominated account details. It says the account was verified on 27 November following receipt of the bank statement. However, in a follow-up response, Shawbrook accepted that Ms D's nominated bank account details should have been moved to the easy access account and there was no requirement for further verification. It paid Ms D £200 for the inconvenience.

Ms D responded to say the £200 does not cover her financial loss and forwarded evidence of the account she had opened for a five-year bond at 5.8% on 8 November 2023 into which she needed to make a deposit within 14 days.

Shawbrook acknowledged this financial impact and offered Ms D an additional £300 compensation.

Our investigator found Shawbrook's offer was fair. He calculated that the total offer of £500 more than compensated Ms D for her financial loss over three years.

Ms D responded to say, in summary, that had she been able to fund the original five-year bond, she would have received interest of £2,900. As it is, the 3-year bond will earn £1,458 so she calculates her interim loss at £1,442. She estimates that she'd need to invest in an account paying 7% for the final two years to make up that loss.

Shawbrook calculated the loss of interest to be £326.94 over three years so increased its additional offer from £300 to £326.94.

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.

Shawbrook has now accepted that it should have transferred Ms D's nominated account at the same time as the fixed rate bond was migrated to an easy access account. I have seen evidence that Ms D had opened a five-year fixed rate bond on 8 November 2023 at 5.8% and I'm satisfied that she would have moved £10,000 into this account the same day.

I've also seen evidence that Ms D actually moved the £10,000 into a three-year fixed rate bond at 4.86% on 25 January 2024, the day after she received notification from Shawbrook that she could withdraw the money.

So the difference in interest earned over three years is £313 - the difference between the following two calculations:

- $£10,000 \times 1.0580 \times 1.0580 \times 1.0580 = £11,843$
- $£10,000 \times 1.0486 \times 1.0486 \times 1.0486 = £11,530$

The bank's offer includes the days when the money was earning 4.6% in the easy access account.

I acknowledge what Ms D says about the further potential loss she could make in years 4 and 5, but this service cannot make awards for losses that may or may not be incurred in the future.

As it is, Shawbrook has now offered a total of £526.94 which I find to be fair and reasonable in all the circumstances of the complaint.

My final decision

My decision is that Shawbrook Bank Limited should pay Ms D an additional £326.94, as it has offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 1 November 2024.

Amanda Williams
Ombudsman