

## **The complaint**

Mr S and Mrs S, his mother, complain about the way in which Aldermore Bank Plc handled their fixed rate account when it matured. Mr S has directed the complaint.

## **What happened**

Mr S and his mother had a fixed term account with Aldermore. The rate was fixed for one year, and the account matured on 9 November 2023. Customers could pay money into the account for a limited period after it was opened, and no withdrawals were permitted before maturity (save in exceptional circumstances, which don't apply here). On maturity, funds would be paid to a nominated account.

By the time the account matured, Mr S had closed the nominated account which was linked to his and his mother's savings account. When he asked Aldermore about its requirements, it initially said that the nominated account would need to be a joint account. That was not correct, however – although if the nominated account was in his name, his mother would need to give her consent.

Having set up the new nominated account, Mr S made a "test" withdrawal of a small amount, followed by a withdrawal of the balance on the joint account. Both were reversed, but Aldermore could not say why. It was suggested that it might be because of changes on the account.

Mr S tried again a few days later to transfer the full balance of the joint account. Again, the transfer was reversed, and again Aldermore could not explain why.

When Mr S asked what the balance on the account was, he was given conflicting information, and at one point was told there would be an interest deduction of some £350, but again the reason was not explained.

Mr S was also told that Aldermore had contacted his mother seeking consent for funds to be transferred to his account. He was told however that Aldermore had concerns that she was being prompted by someone with her – even though she lives alone.

The funds (except for £1) were transferred to the new nominated account at the third attempt on 21 November 2023, five days after Mr S had first attempted to make the transfer.

Aldermore accepted that it had made errors at several points and paid Mr S a total of £125 in recognition of that. He did not think that was enough and referred the matter to this service. Our investigator considered what had happened but did not recommend that Aldermore increase its settlement offer. Mr S asked that an ombudsman review the case.

## **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, however, I have reached broadly the same conclusions as the investigator did, and for similar reasons.

In keeping with the role of the Financial Ombudsman Service as an informal means of resolving disputes, I will not set out in detail all the telephone calls which Mr S and his mother had with Aldermore while trying to resolve matters. He was of course involved in them, and Aldermore has provided this service with call recordings. What is clear however that Mr S was given misleading and unhelpful information on more than one occasion.

It is not clear why payments were blocked or reversed, although it may be that security alerts were triggered when the nominated account was changed (and transfers attempted soon afterwards).

The suggestion that Mrs S was being “prompted” was, I believe, the result of a misreading of Aldermore’s case notes. The bank understandably wanted to be sure that Mrs S was willingly agreeing to money being transferred to Mr S alone (and that she was not being pressured). It seems that note was wrongly interpreted as meaning there was an actual concern that was happening. That does not of course mean that the comments were any less concerning for Mr S.

And I believe that the error in the account balance may be because Aldermore’s systems identified more than one withdrawal from the account – again, incorrectly in the circumstances – and applied the interest “penalty” which would usually apply. I note that no deduction was in fact made.

Overall, then, there were a number of errors on Aldermore’s part – as it has acknowledged. I must therefore decide whether it has done sufficient to put things right, or whether it should offer more. In my view, the payment of £125 was within the range of compensation I would expect for the errors made – albeit towards the lower end of that scale. I do not propose to require Aldermore to offer any more.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr S’s and Mrs S’s complaint.

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

Mike Ingram

**Ombudsman**