

The complaint

Mr H complains that Tandem Bank Limited won't allow him to close his fixed term savings account early.

What happened

Mr H opened a five-year fixed term savings account in September 2023 with a deposit of £15,000.

He contacted Tandem in 2024 as he wanted to close the account as he needed access to his funds. But he was told the terms and conditions he'd agreed to when opening the account said it wasn't possible to make a withdrawal or close the account during the fixed term period unless there were exceptional circumstances – such as, financial difficulties. So, Mr H complained.

Tandem didn't uphold the complaint. It reiterated that the type of account Mr H held didn't allow early closure within the fixed term. It said it had considered Mr H's personal circumstances but the reasons he had provided as to why he needed access to the funds in the account - driving lessons, a car and a vet's bill, weren't classified as financial hardship.

Unhappy with the outcome, Mr H referred his complaint to this service. He said that Tandem had not been sympathetic to his circumstances and had provided a '*computer says no*' answer.

One of our investigators looked into it, but she didn't uphold the complaint. She noted that Mr H had opened the account on-line and on a non-advised basis. And she thought Tandem had made it sufficiently clear - during the account opening process, that Mr H was investing for a fixed term and no early withdrawals were permitted.

Mr H said he understood that he wasn't allowed to withdraw money, but he wanted to close his account. He said he'd made a mistake opening the account during a period when he was mourning the loss of his mother and he now needed the money.

The investigator considered what Mr H had said, but she didn't change the outcome she had reached. She said the terms and conditions were clear in that the account couldn't be closed before the end of the term except in exceptional circumstances. And she didn't think exceptional circumstances applied in Mr H's case.

Mr H provided evidence that his mother had passed away earlier in 2023, and information about a medical condition he suffers from. And he asked for an ombudsman to consider his complaint. So, the complaint has been passed to me.

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've reached the same overall conclusion as the investigator. I know Mr H will be disappointed as I can see how strongly he feels about this matter, and I do empathise with the personal circumstances he has told us about. But to uphold his complaint I would have to be satisfied that Tandem had done something wrong or treated Mr H unfairly. And I don't find that it did. I'll explain why.

It's important to note here that Mr H voluntarily actioned and signed up for the fixed term savings account on-line and that the sale of the account was non-advised. This meant Mr H was required to acknowledge and read important information about the account terms and conditions to ensure the account was right for his circumstances at that time.

Mr H has said that he did read the terms and conditions, but he misunderstood them. But I've looked at the terms and conditions and I find them to be sufficiently clear as they say:

'You can't withdraw any money during the fixed term, so you should bear this in mind when you deposit your money. The only exception is in cases of financial hardship, which will be assessed on a case-by-case basis'.

I don't find it unusual that Tandem's fixed term savings account has such a term as generally businesses offer better rates of interest in return for the customer investing their money for a fixed term. And Mr H has acknowledged that he opened the account having spoken to friends because of the high interest rate the account offered.

Mr H has provided a screenshot of some information which he says suggests he can close the account at any time. This says: *'you can cancel your use of the services by closing any savings accounts you have opened with us'*. But, having considered the screenshot, I can see Mr H is relying on one sentence in it. When read in its entirety, the information he has referred to goes on to say: *'subject to the terms and conditions to each savings account'*.

When read in full, I find this statement to be clear that closing an account is subject to the specific terms of the account held. And, as mentioned above, I'm satisfied that the terms and conditions of the fixed term savings Mr H held are clear in that the account can't be closed during the fixed term.

Mr H appears to be making a distinction between making withdrawals – which he says he knew he couldn't do, with closing the account. But I don't agree there is such a distinction. While 'withdrawal' could mean that only some of the balance is taken out the account. Equally, when closing the account, the funds are being withdrawn.

Overall, I'm satisfied the information provided to Mr H when he opened the account ought reasonably to have made him aware he was tying his money up for a fixed term and that the funds couldn't be withdrawn, or the account closed, until the end of the term.

The terms and conditions of the account do say that Tandem can override them in exceptional circumstances. And the example of exceptional circumstances provided is financial difficulties. So, I've gone to consider if the personal circumstances Mr H has told us about mean that Tandem should have allowed him to close the account.

But I would only expect Tandem to evoke its exceptional circumstances policy if Mr H's personal circumstances had changed after the account had been opened – as mentioned above, it was for Mr H to ensure the account was right for his circumstances at that time he opened it.

From the information I've seen, Mr H's medical condition existed before he opened the account. So, if he needed the funds to pass a driving test and purchase a car to help with his

medical condition, I think it would have been reasonable for him to have used the funds for that purpose in the first instance - rather than investing in a fixed term account. And while I appreciate that Mr H's mother had passed away earlier in the year, I've not seen enough to persuade me that he was unable to make his own financial decisions in September 2023.

Overall, while I'm sorry to hear about Mr H's bereavement and health problems, I don't find the reasons he has given as to why he needs the money to be exceptional.

Taking everything into account, I've not seen enough persuasive evidence that would make me think that Tandem has acted unreasonably or treated Mr H unfairly in applying the fixed term savings account terms and conditions and declining Mr H's request to close the account early.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 December 2024.

Sandra Greene
Ombudsman