

The complaint

Miss B complains on behalf of her daughter that Lloyds Bank plc (Lloyds) refused to close her Junior Individual Savings Account (JISA) despite receiving a letter saying that she could.

What happened

Miss B says that she received a letter in August 2024 stating that the interest rate on her daughter's JISA was reducing and went on to say if she was unhappy she could either close the account or transfer it elsewhere.

Miss B says when she visited her local branch she was told that she was unable to close the account and transfer it to another providers' savings account as she wished, and the letter she had received was a generic letter not applicable to the JISA. Miss B says the staff were rude and she wasn't provided with good customer service when she asked for the JISA to be closed.

Miss B says Lloyds should agree to close the JISA as it had said it was possible in the letter she received from them. Miss B also wants an apology from Lloyds, its staff trained better in branch and compensation above the £40 it has already paid.

Lloyds says it has apologised for the wording of the letter it sent in August 2024, that may have misled Miss B to think she could close her daughters JISA's - but these accounts can only be closed in exceptional circumstances and full access to these funds can only be accessed once her daughter turns 18.

Lloyds says it has paid Miss B £40 for the poor customer service which it feels is fair.

Miss B wasn't happy with Lloyds' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says while he agrees the letter Lloyds sent Miss B in August 2024 was misleading, it didn't detract from the fact the terms and conditions of the JISA doesn't allow closure unless under exceptional circumstances, so the letter wouldn't override those terms and conditions. The investigator also pointed out the JISA can be transferred to another JISA provider. The investigator felt the £40 paid by Lloyds for poor service it provided was fair and it wasn't the role of this service to penalise banks when mistakes are made.

Miss B didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Miss B to have received a letter from Lloyds suggesting she could close her daughter's JISA, only then to be told in branch that she couldn't.

When looking at this complaint I will consider if Lloyds acted unfairly when it told Miss B she couldn't close her daughter's JISA, despite what it had told her in a letter previously. Miss B feels Lloyds' bank staff were rude when she visited the branch to discuss the JISA letter, but unfortunately I have no way of evidencing that so I can't comment further on that point.

The main point of this complaint is that Miss B feels Lloyds should allow the closure of her daughter's JISA because she had received a letter from them indicating she could. While I can understand Miss B's frustration here, what she is asking me to do is to tell Lloyds, despite the fact the rules and terms of a JISA are strictly governed by the HMRC, that it should allow her to close the JISA because of a poorly worded letter, but I can't do that.

It's worth saying it's the HMRC who set the basis on which a JISA can be closed, and these are only on an exceptional basis such as death or terminal illness, otherwise the JISA can only be closed when the child reaches the age of 18. I should say Miss B could transfer the JISA to another JISA provider to obtain a better interest rate if she so wishes.

I have seen the letter sent to Miss B in August 2024 and I can see that it is misleading, and Lloyds have accepted that, apologised and paid Miss B £40 for the confusion this has caused. It's worth saying here, from time-to-time banks will make genuine mistakes, but it's not my role to penalise them for that, more that it is seen to apologise and make where appropriate, a proportionate amount of redress - on balance I'm satisfied it has done that here.

While Miss B will be disappointed with my decision, I won't be asking anymore of Lloyds.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 February 2025.

Barry White
Ombudsman