

## **The complaint**

Mrs H complains that Newcastle Building Society (NBS) has provided misleading and inconsistent information about her fixed rate ISAs.

## **What happened**

Mrs H opened a fixed rate ISA with NBS on 22 June 2022. This matured on 25 July 2024, and she transferred the balance to a further fixed rate ISA on that day. This existing account has a maturity date of 26 August 2025. She is unhappy that the first ISA was described by NBS as a “Two Year Fixed Rate ISA” and the second as a “One Year Fixed Rate ISA” when in fact the terms of both for her are longer than this. Mrs H says that this is bad practice and misleading advertising, and she didn’t understand the position. She wants a one-year term to mean one year and to have clear documentation about the accounts she’s opened.

NBS said it hadn’t made a mistake. It said that when it launches a fixed term product a set maturity date is established which applies to all customers. This is confirmed in the terms and conditions of the account. And Mrs H was prompted to download these and to select a tick box to confirm she’d read, understood and agreed to them before the application could be submitted. It said that the maturity date for both products was correct.

Our investigator recommended that the complaint be upheld. He said that we could only look here at how this had affected Mrs H and not require NBS to change its processes. He understood Mrs H’s points that it wasn’t clear how the products work. And said that he couldn’t see that the key facts document made clear that the maturity date was the same for all customers. He wasn’t persuaded Mrs H would have done something differently if this had been clear though. And so, she wasn’t disadvantaged on her evidence by the money being in a fixed rate account for longer. But Mrs H had needed to look into this herself and question the position and had been caused inconvenience. NBS could have done more to consider things from her perspective. As a result, he recommended that it pay her £100 in compensation.

NBS didn’t agree. It said that similar cases referred to this service had been found in its favour. And that the way it advertised its fixed rate products wasn’t isolated and was used through the industry and it mentioned another specific financial business that did the same. It remained satisfied that the account end maturity date was prevalent in the documentation. This was also available to Mrs H on the online portal. And Mrs H had only contacted it after the original account had matured and she had taken out a similar product. Given she had chosen to do so NBS said it was unsure what the compensation was for.

## ***My provisional decision***

I issued a provisional decision on 19 December 2024. I set out below what I said.

I firstly stated that this service isn’t the regulator and so we don’t have a role in reviewing processes. And each case is judged on its own merits involving the unique position of the

complainant. I said I was looking at things independently as part of our two-stage process and here I took a different view to our investigator.

I also wanted to acknowledge fully that I understood Mrs H's position. And that she doesn't like the way that NBS describe its products. And she's referred to other financial businesses that deal with the term and maturity dates of savings products in the way she'd want.

NBS has provided the information that would have been available to Mrs H when she opened the first account. This was the terms and conditions generally and the 'special product conditions.' The latter document sets out the key facts for the product. At multiple points in that document the maturity date of the product was set out. And towards the top of the page, it stated "*secure your savings with a fixed rate until 25 July 2024*". I didn't see any inconsistency in the way that the description of the actual product maturity date was further given. I understood Mrs H applied for the product online and so she would have needed to confirm her understanding and acceptance of the terms. In my view NBS could fairly take it that she had agreed to a maturity date of 25 July 2024.

I noted that she was able to transfer her funds to another fixed rate ISA on that maturity date and accepted similar terms and conditions.

Mrs H has provided a cover letter from NBS about the first ISA product she received dated 22 June 2022. And this doesn't refer to the maturity date. I didn't have the other pages of that letter that then gave her withdrawal rights to that product. I noted that a letter about the account she opened on 25 July 2024 does now give the maturity date. It did seem that the maturity date for both products was available online and that Mrs H didn't for example seek to deal with the maturity of her existing product in June 2024 or need the funds earlier than they were available.

She first raised this issue with NBS on 26 July 2024. I'd listened to a recording of her complaint call with NBS that day. So, I understood her strength of feeling about what happened and that she's been annoyed and upset. And that she'd like clear information and for a one-year term to mean just that.

### *My assessment*

I didn't find that NBS has given misleading information to Mrs H such that I could conclude that the fixed rate ISAs have been mis-sold to her. I found that the maturity date was made clear at the point of sale taking into account what's been said about the 'name' of the account. Having looked at what happened I didn't have a basis to find that she'd been in any event financially disadvantaged by what happened. I knew how Mrs H would like NBS to change its products – but as I'd explained that's not our role to consider. I also understood her frustration at the position. But because I'd not found NBS has made a mistake and I didn't think it acted unreasonably I said I wouldn't be awarding any compensation.

### **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.

NBS said it accepted my provisional decision and didn't have any further information to provide.

Mrs H didn't agree. She said that she was disappointed that I'd departed from the recommendation of our investigator. And she said it was interesting that she wasn't alone in making a complaint of this nature and nothing had been done. Mrs H said that other highly reputable businesses don't advertise in this way. She provided direct evidence of her accounts with other providers.

Mrs H said she had already taken another NBS product before she realised the position. So, she says that she has been disadvantaged. She wasn't able to get her money two years after deposit. And this is what most reasonable people would expect a two-year product meant. It should be clearly advertised, and it wasn't enough that the detail was included in the small print of the terms and conditions. Mrs H said that this was *"misleading, unconventional and lacking in clarity."* She said that on one hand we'd said this service didn't have a role in reviewing processes and on the other that no error had been made. She wanted to know who had the role in checking processes and confirming these are correct.

Mrs H said that if NBS cared about customers it would take this into account and try and make some amendments. She wondered what say financial journalists would make of this.

I appreciate the further comments from Mrs H which I have considered carefully. And I fully accept her evidence that other financial businesses she has dealt with set and communicate the maturity of fixed term savings products in the way she wants.

I understand the issue Mrs H raises about the way in which the products she's taken have been named. But I also remain of the view that the actual maturity date of the product was made clear in the key facts and terms she accepted when the account was opened. And I'm afraid I don't agree with her that this wasn't reasonably prominent.

This service isn't the regulator, we provide informal dispute resolution. We wouldn't for example be in a position to require NBS to change the way it describes its products as part of its processes. But I have looked at whether there was any error in following its processes. And also, how those may have affected Mrs H. And although I referred to what NBS had said in its submissions about other complaints as I fairly needed to, the circumstances of those complaints had no bearing in my assessment of Mrs H's complaint.

I'd noted in my provisional decision that Mrs H's position is that she'd had the first fixed rate product for a period longer than she'd expected. But that she'd in any event decided to take a further fixed rate and hasn't indicated she wanted to access the funds before then. So that was the basis I'd said I hadn't seen evidence of an actual financial loss. But in any event to consider that NBS could be responsible for a financial loss for Mrs H I'd first need to find it had made an error or acted unreasonably. For the reasons I've given I don't think it did.

I'm afraid that the further information and comments Mrs H has made haven't changed my decision about his complaint. I understand that this will remain a disappointment for her.

## **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 14 February 2025.

Michael Crewe

**Ombudsman**