

## **The complaint**

Mrs M complains Paragon Bank Plc didn't give her the option of funding a new fixed term deposit account straightaway and then ignored her instructions resulting in a loss of interest and inconvenience.

## **What happened**

Mrs M had a fixed deposit with Paragon Bank that was due to mature – and so did her husband. They both wanted to re-invest the proceeds once their deposits matured.

Mrs M says her husband was able to open a new deposit and fund it straightaway meaning he started earning interest at the new higher rate straightaway. When she did the same thing, however, she wasn't given the option to fund straightaway. She says she sent Paragon a secure message right away giving instructions to fund the new deposit she'd opened with the funds from her matured deposit. Mrs M says Paragon didn't act on these instructions, didn't get back to her as quickly as it should have done and took longer than it should have done to resolve the issue. Ultimately, she complained to our service.

Following our involvement, Paragon offered to backdate Mrs M's interest to the date she opened her new deposit. In effect, although it hadn't technically done anything wrong, it offered to put her in the same position her husband ended up in.

Our investigator thought that Paragon's offer was fair and awarded £100 in compensation for the inconvenience Mrs M had experienced. Paragon offered £30 which Mrs M didn't accept. Because the parties couldn't agree on how much compensation should be paid, this complaint was referred to an ombudsman for a decision and ultimately 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.

Paragon has agreed to backdate Mrs M's interest which I agree wasn't necessarily something it had to do, but it has resolved that issue. That means the only thing I have to decide is whether Paragon made any mistakes and, if so, their impact.

In this case, I agree with our investigator that there were delays in dealing with Mrs M's concerns and, in particular, responding appropriately and in a timely way to the secure message she'd sent. I'm satisfied that this meant Mrs M was worried and frustrated and inconvenienced longer than she needed to be and that £100 is fair compensation for that unnecessary worry, frustration and inconvenience. So that's the award I'm going to make on top of Paragon's offer to backdate Mrs M's interest.

## **My final decision**

My final decision is that I'm upholding this complaint and require Paragon Bank Plc to pay Mrs M £100 in compensation on top of its offer to backdate her interest.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 21 February 2025.

Nicolas Atkinson  
**Ombudsman**