

## **The complaint**

Mr and Mrs K complain about the service they received from Skipton Building Society

## **What happened**

Mr and Mrs K held a 15 month fixed rate E-Bond with Skipton which was due to mature in January 2022. For ease and as Mr K is happy for Mrs K to deal with our service on his behalf, I will continue to refer to Mrs K, rather than Mr and Mrs K.

Mrs K says that she contacted Skipton prior to maturity to ask for advice on how to reinvest the money but was told she would have to close the account online and then open new accounts online. Mrs K says she asked Skipton if it could process the closure and opening of the accounts for her as she did not feel confident using the online services. Mrs K says Skipton assured her that if she made a mistake, she could call and close the account as it offered a 14 day cooling off period.

On 10 January 2022, Mrs K transferred funds from the matured E-Bond into three separate accounts which included one and two year fixed rate E-Bonds. Mrs K says she panicked that the two year fixed bond tied her money up for too long and she didn't mean to transfer in £60,000. Mrs K says she immediately contacted Skipton but it would not cancel or close the account. Mrs K says that Skipton told her that the 14 day cancellation period only applied to customers opening an account in branch, not online. Mrs K says this left her feeling anxious as she could not access the money for two years.

In June 2023, due to the cost of living crisis, Mrs K asked to close the two year bond and transfer the money into an easy access account. After further contact, Skipton allowed her to withdraw some of the money but Mrs K says this wasn't enough to help her family.

In December 2023, Mrs K received a maturity email which said the two year E-Bond would mature in January 2024. The email said that if Mrs K didn't give maturity instructions, the funds in the E-Bond would default into another one year fixed rate E-Bond. This left Mrs K anxious to avoid her money being locked up again.

When she spoke with Skipton, it told her that she had to wait until two weeks prior to maturity to make changes. During this call, Mrs K said that Skipton told her she would have had 14 days after the new bond account opened to close it. And that there had been problems in the past with not being able to close online bonds within the 14 day cooling off period. Mrs K said Skipton told her that its online accounts now offer a 14 day cooling off period in line with branch opened accounts.

Mrs K thought that Skipton's final response letter was misleading as it didn't explain whether she could accept the £25 offer while at the same time pursuing the other part of the complaint.

Mrs K said she raised a complaint in two parts as follows:

- Skipton failed to indicate the date on which she could give maturity instructions in the

email that it sent; and

- Skipton misled her to into believing there was a 14 day cooling off period and then denied her the right to cancel, leaving her trapped in a two-year fixed account. She was unhappy that Skipton refused to open the account over the phone despite receiving a flyer which said this was possible.

Mrs K also said that it was difficult to read the terms and conditions online.

Mrs K wanted Skipton to compensate her for the interest she lost out on because she could not place the money in an account offering a more favourable rate.

Skipton had previously offered £25 compensation for any upset caused when Mrs K received a maturity email before the instructions became available. After Mr and Mrs K brought their complaint to our service, Skipton increased the offer of compensation from £25 to £100.

Skipton explained that in December 2021, it wrote to Mrs K to tell her that her 15 month E-Bond would mature on 29 December 2021. And that unless Mrs K said differently, the bond would roll over into a one year fixed rate E-Bond. For 21 days after the 15 month bond had matured, Mrs K could choose an alternative product, add more money to the account or close the account.

Skipton said that following no contact, it transferred the matured funds into the default one year fixed rate E-Bond and confirmed this in writing, giving Mrs K 21 days to close the account or move money into a different account.

Skipton said that on 10 January 2022, Mrs K withdrew £30,000 into a new one year E-Bond. As part of the process to move the funds, Skipton presented Mrs K with terms to view online and these terms said there was no cancellation period.

On the same day, Mrs K also withdrew £60,000 from the default one year fixed rate bond into the two year E-Bond. Again, the terms of the account provided there was no cancellation period.

Skipton said that when Mrs K rang on 20 January 2022, to say she wanted to cancel her new bond, it correctly told her there was no cancellation period.

Skipton said that in July 2023, Mrs K asked to close the two year E-Bond due to the cost of living crisis. Skipton told Mrs K that it would only allow withdrawals or closure in exceptional circumstances such as death, critical illness, or bankruptcy but If she could evidence any of these, it would agree to her request. After Mrs K complained, Skipton agreed to let Mrs K withdrew £10,000 from her two year E-Bond.

Skipton said that Mrs K raised a further complaint in December 2023 after an agent told her she should have been allowed to withdraw the funds back in 2022 as she was still within the cooling off period. Skipton said this information was wrong as the 21 day cancellation period only applied to the matured E-Bond which had rolled over into the default one year E-Bond. The new one and two year fixed rate E-Bonds did not have a cooling off period.

For the misinformation given during the call in December 2023, together with the upset caused by sending a maturity email prior to being eligible to give maturity instructions, Skipton increased its offer of compensation to £100.

Our investigator said he hadn't found evidence that Skipton told Mrs K she must complete

the application online and that a 14 day cooling off period would apply. Our investigator referred Mrs K to the terms of the one and two year E-Bonds which said there was no cancellation period for the accounts.

Our investigator thought that Skipton responded fairly when it allowed Mrs K to withdraw £10,000 early. He noted Mrs K's concerns that it was difficult to read the terms online but thought she could have asked for help from a family member or professional.

Overall, our investigator thought Skipton's offer to pay a total of £125 was fair.

Mrs K was unhappy with the investigation outcome. She thought it is convenient for Skipton that it cannot locate the call she says she had when the 15 month fixed rate E-Bond was due to mature.

Mrs K said that our investigation should cover the period 7 December 2021 to 31 January 2022. She said that Skipton's system was set up with no way of allowing for human error in the way it would be if a customer opened an account in branch and a Skipton employee made a mistake. Mrs K thought this meant Skipton discriminated against online customers.

Mrs K asked if our investigator listened to the call she had with Skipton on 18 December 2023 when an agent confirmed there had been problems in the past with online bonds. She thought this showed Skipton's system wasn't fit for purpose.

Mrs K pointed to a history of misleading communication evidenced by Skipton's failure to make it clear in the offer it made to her whether she could accept the £25 and still pursue her complaint through the Financial Ombudsman.

Mrs K disagreed that the withdrawal Skipton allowed of £10,000 was a gesture of goodwill as she had to beg for the money. Mrs K said another provider allowed her to close an account due to the cost of living crisis without needing to see evidence.

Mrs K asked that the ombudsman consider all phone calls, including those between early December 2021 and the end of January 2022, the call of 18 December 2023 and calls in July and August 2023 when Mrs K said she had to beg for the money held in the E-Bond.

Our investigator pointed out that when Mrs K raised her complaint with Skipton and our service, she complained about the cooling off period and receiving a maturity email before instructions were available. Our investigator said that after reading the emails that Mrs K sent to him, he could not find evidence that the two year fixed rate E-Bond had a 14 day cooling off period. Our investigator said that if Mrs K wanted him to address the other points, she would first have to raise these with Skipton.

Mrs K disagreed that she raised new points and said her two complaint points were the same as she raised with Skipton. But that the evidence she supplied was to highlight the systemic lack of clarity and information. Mrs K said that as the flyers Skipton sent lacked vital information, it was necessary to ring customer services for advice which confirms what she said about calling Skipton to discuss the new accounts.

After considering the complaint, I decided to issue a provisional decision on 28 October 2024, which said:

In cases like this, where the evidence is incomplete, inconclusive, or contradictory, I reach my decision on the balance of probabilities – in other words what I consider is more likely to have happened in light of the available evidence and wider circumstances.

Although I may not comment on each and every point Mrs K has raised, this doesn't mean I have not read and considered everything she's provided. Instead, I have focussed on what I consider to be the key points. This is not intended as a discourtesy – it simply reflects the informal nature of this service.

Skipton has recently supplied call recordings from 20 January 2022 and 18 December 2023. As these were not considered as part of the original investigation, I have decided to issue a provisional decision to give the parties the opportunity to come back to me with any points they want to raise in response to my comments about the calls.

As our investigator has told Mrs K, we can only deal with the complaint points already addressed by Skipton and made to us. Mrs K has also confirmed that her complaint has two aspects. So, it is these that I have focussed on in my decision. I do however also say something about Mrs K's request to close one of the bonds early or withdraw money due to the cost of living crisis, as I can hear that she raised this as a complaint during the call on 18 December 2023.

The crux of Mrs K's complaint is that Skipton refused to deal with the maturity of the account by phone but reassured her that she would have 14 days within which to change her mind. I am sorry to disappoint Mrs K but like our investigator, I don't have enough evidence to conclude that Skipton misled her.

#### 14 day cooling off period

Although Mrs K says she spoke with Skipton before the 15 month E-Bond matured, Skipton does not have a record of this. I'm satisfied that Skipton checked its records using the mobile and landline numbers that it holds for her. If Mrs K withheld her number – as she did later in January 2022 – I would not fairly expect Skipton to be able to retrieve the call without some idea of the date and time that it happened. Mrs K hasn't been able to narrow down the timeline to a specific date and time, which makes it difficult for Skipton to conduct a search of its records.

Without either a recording or note of the call, I can't fairly conclude that Skipton told Mrs K it offered a 14 day cooling off period if she invested in a fixed rate bond. These types of saving accounts offer a guaranteed rate of interest on the basis that a customer locks their money away for a set length of time. When Mrs K opened the one and two year fixed rate bonds online, she would have been presented with the terms of the accounts, which both say you can't withdraw money. So, I think it reasonable for Skipton to assume that Mrs K was aware of the restrictions on withdrawing funds before she opened the accounts.

Although my understanding is that Skipton currently gives customers 14 days to cancel fixed rate bonds after opening, this was not the case when Mrs K applied for the two E-Bonds back in 2022. I think this makes it less likely that Skipton would have told Mrs K in early 2022 that she could cancel the accounts within 14 days of opening them.

I should also say that as the bond which matured in 2022 was a 15 month E-Bond, Mrs K would have always needed to manage the account online rather than in branch or by phone. So, even if I was persuaded that Mrs K spoke to Skipton ahead of maturity, I wouldn't find its advice to manage the account online was incorrect.

#### Change of mind

Mrs K says she made a mistake when she opened the two year fixed rate E-Bond which she immediately tried to correct but this is not what the evidence suggests. Mrs K opened the one and two year fixed rate E-Bonds on 10 January 2022. Skipton does not have a record of contact from Mrs K until 22 January 2022 – almost two weeks later.

Having listened to the call recording, Mrs K asked about the one year fixed rate E-Bond which she had recently opened. She thought she had 14 days within which to change her mind and wanted to access the funds. When Skipton asked why, Mrs K said she wanted to put the funds into an ISA in April that year.

Skipton explained that it wasn't possible to cancel the one year bond as there was no cooling off period. At the time, Mrs K seemed to accept this was the case and didn't refer to any earlier conversations she alleges to have had with Skipton about the cooling off period. Again, this makes it difficult for me to find that Skipton had an earlier call with Mrs K when it specifically told her that she would have 14 days to change her mind.

Skipton does not have a record of Mrs K saying she made a mistake with the two year bond. Instead, it appears that she had a change of heart about the one year bond. So, I can't fairly conclude that Mrs K told Skipton she had made a mistake with the two year bond immediately after she opened it.

Even if I were persuaded that Mrs K tried to close the two year E-Bond shortly after opening it, it would not change my decision that Skipton did not act unreasonably when it would not close either bond as there was no cooling off period.

#### Cost of living crisis request

Mrs K is unhappy that Skipton would not agree to close the two year E-Bond early in the face of a cost of living crisis. I am sorry to hear about Mrs K's difficulties but the terms of the E-Bonds say that withdrawals, including closures, are not permitted prior to maturity except in certain circumstances – death, terminal illness (of the customer or immediate member of their family) or bankruptcy. I don't have evidence to suggest that any of these circumstances applied to Mrs K or her immediate family. So, I can't say that it was unreasonable for Skipton to say that it would not close the account early.

Although Mrs K says that other lenders made an exception due to the cost of living crisis, I don't think this means that Skipton had to do the same thing. Particularly as Mrs K appeared unwilling to supply evidence of financial hardship to support her request.

Skipton eventually agreed to release £10,000 from one of the fixed rate E-Bonds, which I think was more than fair. So, I would not look to require Skipton to do more than this in response to this complaint.

#### 18 December 2023 phone call

I have listened to the call which Mrs K had with Skipton on 18 December 2023. I think there may have been some confusion on the part of the agent when talking to Mrs K. She explained how she had previously made a mistake with the bond and Skipton had refused to do anything. The agent didn't think this seemed right and referred to the 21 day cooling off period when an account matures.

The email which Skipton sent to Mr and Mrs K in early December 2021 explained that if they didn't give instructions before 29 December 2021 the investment would continue into another 1 year fixed rate E-Bond - called the "do nothing" approach. And that for 21 days after maturity, they could choose to move the money elsewhere, add more money to the account or close the account. However, in Mrs K's case, she was unhappy about the one and two year fixed bonds that she had opened once her 15 month fixed rate E-Bond had already matured. So, the 21 day cooling off period did not apply to the new accounts – it only applied to the 15 month fixed rate E-Bond.

Part of the reason why Skipton increased its offer of compensation was to apologise for any confusion caused by the December phone call. Skipton offered to increase the offer from £25 to £100 but when our investigator put the offer to Mr and Mrs K, he said it had been increased to £125.

In the circumstances, I think an award of £125 fairly reflects the impact any upset and confusion had on Mr and Mrs K when Skipton sent the maturity email early in December 2023 and when it gave Mrs K some seemingly contradictory information during the call on 18 December 2023.

As I don't find that Skipton made a mistake with the one and two year E-Bonds, I don't require it to compensate Mr and Mrs K for any interest they say they lost out on because their money remained tied up. I am sorry that this is likely to disappoint Mr and Mrs K.

#### Response to my provisional decision

I first want to apologise to Mr and Mrs K for the mistake in my provisional decision. At one point, I referred to Skipton as Santander when this wasn't the case. This was an oversight on my part and does not mean that Santander is in any way connected to this complaint.

Skipton agreed with my provisional decision but Mr and Mrs K did not. Mrs K asked for additional time to respond as she asked her landline provider to supply details of the calls she made to Skipton between early December 2021 and the end of January 2022.

Once Mrs K received the details from her phone company, she identified several calls made to Skipton in December 2021 and January 2022. Mrs K believed that the call recordings would provide evidence that Skipton gave her the wrong advice about the cooling off period.

Skipton supplied the calls that it could locate, together with some screenshots from its internal systems.

Below is a brief summary of the calls I have listened to:

- 15 December 2021 – Mrs K was aware that if she did nothing with her maturing account, it would default to a one-year bond. She would then have 21 days within which to change her mind or make a withdrawal. There was no mention of a 14 day cooling off period.
- 10 January 2022 – Mrs K spoke to Skipton about opening two new bonds. She discussed which interest option to choose – monthly or annually. As Mrs K wanted to split the money from the maturing bond into two different bonds, Skipton said she would have to apply for the new accounts online. At no point did Mrs K ask whether Skipton offered a cooling off period for the new bonds.
- 11 January 2022 – Mrs K rang to say she had transferred money into the new one-

and two-year E-Bonds the day before. As she didn't have a printer, Mrs K wanted Skipton to send her a statement for her old account and the terms and conditions of the new accounts.

- 11 January 2022 – Mrs K asked Skipton whether it had any other products offering a better rate. Mrs K asked whether, when you open a brand-new bond, like she had done the day before, there is a cooling off period in case you find a product with a better rate. Skipton confirmed there was no cancellation period when you open a new fixed rate bond account.
- 20 January 2022 – Mrs K asked me to listen to this call but I had already listened to it and had referred to it as part of the section headed "Change of Mind" in my provisional decision.
- 2 February 2022 – Mrs K contacted Skipton about statements she'd not yet received. There was no mention about wanting to cancel the new bond accounts.

Although Mrs K identified two other calls made to Skipton on 10 January 2022 – the evidence supplied by Skipton shows that these disconnected whilst the caller was waiting to speak to an agent.

Skipton was not able to provide call recordings or notes for two calls Mrs K made to Skipton on 8 January 2022. However, as these calls lasted for only one or two minutes, it seemed likely to me they were disconnected before Mrs K could speak to Skipton.

Mrs K also supplied evidence of calls she made to Skipton on 17 January 2022 and 9 February 2022. Skipton said it had found an interaction from an unknown number on 17 January 2022 which didn't connect to an agent. The same thing happened on 9 February 2022. So, there was nothing for me to listen to.

Based on the calls and information supplied to me, I didn't think Skipton mistakenly told Mrs K that she would have 14 days to change her mind if she opened the new one and two year E-Bonds. I thought it was possible that by asking for copies of the terms and conditions for the new E-Bonds, that Mrs K had not familiarised herself with the terms ahead of applying for them. But I didn't consider this was because of something which Skipton did wrong.

So that my above findings about the recently supplied calls didn't come as a surprise to Mr and Mrs K, our investigator shared my thoughts informally to give them a chance to respond before issuing my final decision.

#### Mrs K's further submissions

Mrs K is understandably disappointed with my decision. She is certain that Skipton gave her the wrong information and thinks that I am blaming her for this, rather than Skipton.

Mrs K thinks that Skipton has been obstructive when responding to our request to retrieve phone calls and questions whether it has edited or deleted parts of the conversations.

Mrs K thinks that I am reprimanding her for a lack of legal knowledge when describing the cooling off period. She points out - in relation to the call she had with Skipton on 15 December 2021 - that a 14 day cooling off period is less than 21 days to change her mind or withdraw.

Mrs K believes that Skipton has tampered with the conversation she had on 10 January 2022. She thinks it is possible that the advisor mixed up the cooling off periods with the

“default setting” for the one year bond.

Mrs K says that on 11 January 2022, she asked to close the account and exercise her right to cancel – as she’d been told the day before. Mrs K says Skipton ignored her complaint when it said she could not change her mind. And that she made the second call that day to check whether the previous Skipton adviser had correctly informed her she could not cancel the new account.

Mrs K refers to the call she had with Skipton on 18 December 2023 as evidence that Skipton previously had problems with online bonds and that they now have a 14 day cooling off period in line with branch opened accounts. And that this means Skipton previously prevented customers from closing newly opened accounts when they weren’t suitable.

Mrs K refers to a letter from Skipton addressed to Mr K in January 2022 about a fixed rate bond which could be opened by phone. Despite this, Mrs K says Skipton told her she had to open the account and transfer funds online.

Overall, Mrs K thinks I have ignored evidence and remains unhappy with the way that Skipton treated her.

### **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.

I am sorry that Mrs K is unhappy with my approach when deciding her complaint. But I have to weigh up the evidence supplied, to make my decision based on what I consider is more likely to have happened. This does not mean that I am only basing my decision on the evidence Skipton has provided, ignoring what Mrs K has told me. It’s just that as I have now been able to listen to the recordings of the calls which took place before Mrs K took out the one and two year E-Bonds, these don’t support her recollections of what took place during the calls. I should also say that I don’t have reason to suspect the calls have been edited or tampered with. I hope that this gives Mrs K some reassurance.

I’m satisfied I don’t need to comment on every point raised to fairly reach my decision. And if I don’t comment on something, it’s not because I haven’t considered it. It’s because I’ve focused on what I think are the key issues. The rules that govern our service allow me to take this approach.

Having listened to the available calls, I haven’t heard Skipton say anything to Mrs K which I consider could have misled her into thinking it offered either a 14 day or 21 day cooling off period for the new E-bonds.

During the call on 15 December 2021, Mrs K seemed to appreciate that her existing 15 month bond was due to mature into a one year bond at the end of the month. Mrs K told Skipton she had 21 days to decide what to do with her money after the account matured into the default one year bond. Mrs K said she didn’t want to rush things in case there was an improvement in the interest rates offered. I can’t hear that Skipton mixed up the cooling off periods as Mrs K suggests.

Then on 10 January 2022, Mrs K discussed transferring some of the funds in the matured one year bond to an external bank account with the remainder to be split between the new one and two year bonds. Skipton suggested that Mrs K open the new bonds online before keying in the maturity instructions. Skipton told Mrs K that the 21 day period to open the new bonds and transfer money from the one year bond (which her 15 month bond had matured



into) would end on 19 January 2022. Again, I don't consider that Skipton gave Mrs K incorrect information about the maturity process.

When Mrs K spoke to Skipton on 11 January 2022, she asked whether, when opening a brand new account, there is a cooling off period if you find a better account. Skipton explained that once a new bond is opened and funds have been deposited, it couldn't be cancelled. If Mrs K thought that Skipton had previously told her she had 14 days to change her mind, I would have fairly expected her to raise this during the call – but she didn't. Instead, Mrs K seemed to accept Skipton's explanation and said she had to make a choice before 18 January 2022, so she moved money into the new E-Bonds. Although Mrs K says she raised a complaint about not being able to change her mind during the call on 11 January 2022, this is not reflected in the two call recordings which I have listened to from that day.

Having reviewed all the evidence supplied, although Mrs K may have understood that the new E-Bonds came with a cooling off period, I don't find that this was because of something which Skipton did wrong.

Although Mrs K has pointed to the call of 18 December 2023 as evidence of earlier problems at Skipton with the cooling off period, it doesn't change the outcome of her complaint. I say this as the evidence from around the time that Mrs K opened the one and two year E-Bonds doesn't support her contention that Skipton told her she would have 14 (or 21) days to change her mind once she opened the E-Bonds. The only cooling off period was the one which Skipton gave customers for a maturing bond once it transferred into the default one year bond – also referred to as the “do nothing” approach earlier in my decision.

I already touched on the letter from January 2022 in my provisional decision. But for the sake of completeness, I agree that the letter to Mr K offered a two year fixed rate bond which could be opened in branch, by post or by phone. However, as Mrs K's maturing 15 month bond was an online product – she needed to manage it online not by phone. So, I still don't consider Skipton was wrong to tell Mrs K that she would need to open accounts and transfer funds online. Particularly as Mrs K told Skipton that she wanted to split the funds from the maturing bond into two bond accounts.

Taking everything into account, I still consider that an award of £125 fairly reflects the impact any upset and confusion had on Mr and Mrs K when Skipton sent the maturity email early in December 2023 and when it gave Mrs K some seemingly contradictory information during the call on 18 December 2023.

As I don't find that Skipton misled Mrs K about the cooling off period for the new E-Bonds, I don't require it to pay additional compensation.

### **My final decision**

I think Skipton has already made an offer which I consider fair. So, my final decision is that, if it has not already done so, Skipton Building Society should pay Mr and Mrs K £125 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 20 March 2025.

Gemma Bowen  
**Ombudsman**