

The complaint

Mr S complains State Bank of India (UK) Limited closed his fixed term deposits without his consent causing him a loss of interest.

What happened

Mr S had three fixed term deposits with SBI.

SBI says Mr S sent an email on 21 June 2023 saying that he needed to close his accounts as he needed money to pay his bills. SBI says it emailed Mr S back the following day to say that his fixed deposits weren't maturing until 2026 and 2027 and that premature closure is not allowed other than in exceptional circumstances. SBI says it referred to its terms and conditions. SBI says Mr S replied on the same day to say he was in a lot of debt and could send proof. SBI says it asked Mr S to do so and that what he sent suggested he had approximately £25,000's worth of bills to pay and fixed term deposits totalling just over £70,000. So, SBI says it asked Mr S if he wanted to break all three of his deposits. SBI says Mr S said he had a lot of debts and it was very embarrassing to share, that he didn't have any job right then and he was really struggling. SBI says it then agreed to allow Mr S to close all three deposits meaning he lost some interest.

SBI says Mr S complained saying that it had closed his accounts without his consent. SBI looked into Mr S's complaint and didn't uphold it – saying that he'd sent clear instructions asking for all three deposits to be closed. Mr S was unhappy with SBI's response saying that he'd lost over £1,360 in interest. Ultimately he complained to our service.

We started looking into Mr S's complaint in May 2024 after he'd contacted us for an update. SBI said that it didn't think we could do so as Mr S's complaint appeared to have been referred to us more than six months after its final response. One of our ombudsmen looked into this and decided that we could look into the complaint and sent it back for investigation.

One of our investigators looked into Mr S's complaint and initially said that they didn't think SBI had done anything wrong when it had closed Mr S's three deposits as his instructions had been clear. So, they didn't uphold the complaint. Mr S wasn't happy with this and said that SBI hadn't answered a question of his about whether or not any penalties would apply before closing his accounts. Our investigator looked into this further and, having done so, recommended that SBI pay Mr S £50 in compensation for the minor impact not answering Mr S's question would have had. Neither party was happy with our investigator's recommendations. So, this complaint was referred to an ombudsman for 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.

We've been sent a copy of the emails SBI and Mr S exchanged in June 2023. Those emails demonstrate that SBI and Mr S also spoke on the phone. More importantly, I agree with SBI that those emails show Mr S asked SBI to close all three of his fixed deposits because he

had debts to pay and was desperate. SBI didn't have to do so because the terms and conditions of those deposits make it clear that they can't be broken, except in exceptional circumstances, and that if they are broken penalties might apply. I can see that SBI asked Mr S why he wanted to close all three of his fixed deposits – so it could assess whether or not his circumstances were exceptional – and questioned him as to whether or not he needed to break all three as the documentation he sent in suggested he only had around £25,000's worth of debt and his deposits were worth over £70,000. I think that this was helpful of SBI. I can see that Mr S replied saying that he was in a lot of debt and it was very embarrassing to share and that he was desperate. More importantly, I can see that he continued to say he wanted to close all three fixed deposits as he was clearly in really difficult situation debt wise.

I can see that Mr S asked SBI in one of his emails about whether or not any penalties would apply. I can see that SBI sent Mr S a copy of the terms and conditions – which explain what happens when a deposit is closed early – and that SBI also spoke to Mr S on the phone. In this case, given that SBI had sent a copy of its terms and conditions, given the emails that had been exchanged and given that both parties spoke on the phone, I don't agree that SBI needed to do more here. It had received clear instructions to close all three accounts – the proceeds were withdrawn rapidly consistent with urgency and desperation – and it was only later that Mr S complained about loss of interest. For that reason, I'm satisfied our investigator reached the right outcome when they issued their first view. In other words, I agree that this isn't a complaint that we should be upholding or awarding compensation in relation to. So, that's my decision. I'm satisfied that both parties have had an opportunity to comment in full given that our investigator initially decided not to uphold this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 February 2025.

Nicolas Atkinson
Ombudsman