

The complaint

Mrs M complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY opened a fixed rate savings account with a different interest rate to the one she applied for. She also complains about the difficulty in gaining access to the interest.

What happened

Mrs M opened a fixed rate savings account with NatWest in November 2023. She said it advertised a rate of 4.9% at the time. Monthly interest was to be paid into a separate account held with NatWest.

Mrs M said despite applying before the deadline to get this rate, NatWest applied a lower interest rate than previously advertised, but didn't tell her what the rate would be, or which account the interest would be paid into. She said although NatWest sent her a letter advising her of a 14-day cooling off period, because it hadn't told her the rate that would be applied, it hadn't been possible to cancel the application with the knowledge that the advertised rate wouldn't apply.

She said NatWest's letter told her it was her responsibility to ensure that the interest was paid into an account with the same sort code as the fixed rate savings account. Despite the savings account being funded by an account with the same sort code as the one she'd asked the interest to be paid into, NatWest allocated a different sort code to the savings account. This was a problem because this meant some of the interest was paid back into the fixed rate saver, which Mrs M was unable to withdraw from due to the nature of a fixed account.

Mrs M said this didn't meet the Consumer Duty regulations set by the Financial Conduct Authority (FCA) – the organisation which regulates financial services. She said that, under the Duty, consumers can expect timely and clear information so that they can make good financial decisions. She argued that important information shouldn't be buried in lengthy terms and conditions, which she implied NatWest had done by citing 'small print' when withdrawing its offer. This, Mrs M says, means she had unknowingly signed up for a different product than the one she'd intended to open.

Mrs M complained to NatWest, but in its response it said it didn't think it had made an error. It pointed to its website and terms, explaining that customers were required to hold a current account or instant access savings account in their name and at the same branch as the fixed term savings account. Further, it said it wasn't able to release the interest applied to the fixed term account until the account matured or was closed.

NatWest said a different rate to the one Mrs S had been expecting was applied because it had removed the sale of the higher interest rate earlier than expected. It said this was due to changes in the market conditions, with the rate being withdrawn the day before Mrs M had completed her application. It said that, as the application and opening of the account happened after the removal of the rate, Mrs M hadn't been eligible for it.

NatWest acknowledged Mrs M's concern that she hadn't been advised of the lower rate, but said its website stated offers could be withdrawn at any time and had been updated following the change.

Mrs M wasn't satisfied with this and brought her complaint to our service. When the complaint came to us, NatWest offered to make the interest paid into the fixed term saver between November 2023 and January 2024, around £221, available to Mrs M. It said it would do so as a goodwill gesture, but maintained its position that it hadn't done anything wrong.

Our Investigator didn't uphold the complaint. Whilst she felt NatWest could have explained its goodwill offer sooner, she was persuaded it had made the rate and necessary information available to Mrs M, and that they were clear. As NatWest had already paid the money to Mrs M, and future interest would be paid to an account Mrs M had access to, she didn't feel it needed to do anything further.

Mrs M didn't accept the Investigator's view. She said she didn't recall receiving documents which set out the rate she had applied for – only confirmation from NatWest that the account had been opened. She acknowledged what the Investigator had said about Mrs M having herself sent our service a copy of the confirmation document, but she rejected the Investigator's findings that the document containing the rates would have been sent along with it. She also said the hyperlink NatWest provided in its correspondence in November 2023 for Mrs M to access her savings rate didn't take her to a document which detailed the rates.

The Investigator replied to say the letter sent to Mrs M gave the issue number and the link had taken her to a page with the rates correctly displayed.

As no agreement could be reached, the case was passed to me to decide.

I issued a provisional decision on these matters. It said:

'Businesses are free to set the terms and criteria for the accounts they offer, or remove savings rates from market, provided they do so fairly. My consideration of this complaint revolves around whether I think NatWest offered Mrs M a savings account in a way I consider to be fair – that it gave her the information she needed at the right time, presented in a way she could understand. Whilst the Consumer Duty of course feeds into this consideration, I've thought about all relevant regulation as well as good industry practice and what I consider to be fair and reasonable in all circumstances of the case. This includes the removal of the previous rate, as well as the interest rate and terms relating to the account which interest can be paid to.'

I've looked at the information sheets of the fixed term saver Mrs M applied for and I can see it requires customers to hold the account that interest is paid into at the same branch as the fixed term saver. Having looked at the application process, I'm satisfied this information was available to Mrs M prior to application, and set out in a way that could be easily found and understood.

The issue occurred because the account Mrs M initially nominated the interest to be paid into was held at a different branch to the fixed term savings account, therefore causing the interest to be paid back into the fixed term saver. I'm pleased to see this was later amended so that future interest would be paid into an account held at the same branch as her fixed term savings account. NatWest has also said it made the interest accrued during the period between November and January available to Mrs M – I think this is fair and I'm not minded to ask NatWest to do anything else on this point.

Turning to the rate Mrs M received, she has shown our service a printout of NatWest's site which displays the rate she thought she'd applied for. However, on the same printout, there is text advising customers that rates can be withdrawn at any time. NatWest is allowed to have mechanisms in place which allow it to react to changes in the market by removing savings rates, but it must do so fairly – and I'm minded to say it did. I say this because the warning text was written in the same section as the deadline to apply. Mrs M confirms she saw the deadline, so it's reasonable to think she would also have seen the warning about NatWest being able to withdraw rates at any time. It follows that as the deadline was displayed in a way Mrs M saw, due to the close proximity of the text I consider NatWest's rate withdrawal warning to have also been displayed in a way Mrs M could have seen. Because of this I don't currently think NatWest acted unfairly here.

But I've also considered whether Mrs M was given a different rate to the one she applied for, or that she intended to apply for. NatWest has said it withdrew its 4.90% rate from market on 20 November 2023. Mrs M applied for the fixed term saver a day later. As mentioned above, Mrs M has provided a printout of NatWest's website, showing the 4.90% rate. But I'm mindful that the information on the printout isn't necessarily what Mrs M would have seen at the time of application.

NatWest has confirmed that its internal systems and customer website updated with the new rate at 7am on 21 November 2023. Mrs M's recollection of the application points to the application taking place later that day. Because of this, I'm satisfied the application was likely made after the switch over to the updated sales information. Therefore, I'm currently of the opinion that the application was made when NatWest's site displayed the information applicable to the rate Mrs M received.

In addition to the applicable savings rate being shown at the start of the applications process, NatWest has shown me that other opportunities were given during the process for Mrs M to view the terms and conditions of the account, as well as the rate her saver would attract. These opportunities arose before the conclusion of the application. Based on this, I'm currently satisfied that NatWest gave Mrs M all of the information I'd have expected during the application, presented in a way she could understand, and that this allowed her to have known which rate she was applying for.

And so, whilst I appreciate this will be disappointing for Mrs M, I'm minded to say NatWest has acted fairly in applying the rate it did to Mrs M's saver, and in all of the matters covered above, and so I don't plan on upholding this complaint.'

NatWest accepted my provisional decision, but Mrs M didn't and she raised some points in response. She said my provisional decision provided new information and appeared to focus on NatWest's ability to change its products, whereas her complaint stated that as the applicable interest rate wasn't advised until after the cooling off period, it wasn't possible to cancel the application with the knowledge that 'the advertised interest rate' wouldn't apply.

Mrs M questioned why NatWest was unable to provide evidence of the time at which her account was opened. She asked for evidence that her application was made after 7am on the date of application. She also highlighted the relevant section of my provisional decision which stated her '*...recollection of the application points to the application taking place later that day*'. Mrs M told us her testimony didn't reflect this and that she had actually said she was certain her husband was around when the application was made, and that he'd worked from home all of that week. She pointed out her testimony said '*Whilst this may indicate that the application was made later in the day, I cannot confirm this with any certainty.*'

Mrs M explained she had printed the webpage which detailed the rate she intended to apply for whilst researching her savings options. The website and printout highlighted the deadline by which she'd need to apply in order to receive the advertised rate. Mrs M added she was also aware there was a cooling off period. She said when she later came to apply, the application process itself didn't explicitly advise which interest rate would be paid, and so she was of the understanding that she'd applied for an account which paid 4.90%.

Mrs M also talked about the post-application correspondence she received which didn't include the rate of the account, and which contained a weblink to a document which she says didn't include NatWest's information sheet. She said there was nothing to indicate that the account's issue number didn't relate to the account she thought she'd applied for, nor was it explained that the information sheet set out her interest rate. Mrs M said the first time NatWest told her the interest rate was in a letter it sent after the cooling off period had expired.

NatWest confirmed that Mrs M had used her online banking during the cooling-off period. And it said that the savings rate would have been available for her to review through her online banking. I passed this information over to Mrs M and invited her to comment. She said she had no new information to give beyond what she had already provided.

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've not been presented with any evidence which changes my overall findings or the outcome of my provisional decision. My decision remains that I do not uphold this complaint. I realise this will be disappointing for Mrs M, so I've explained why below.

I'd first like to address Mrs M's comments around my provisional decision providing new information for the first time. This is one of the reasons I chose to issue my findings in a provisional decision; doing so allowed both parties a chance to review and to respond with further points. I'm grateful to both parties for their responses, and to Mrs M for the points she raised. I've addressed those points below where necessary, but, as many of her points have already been covered in my provisional findings, I haven't addressed all of them in great detail here.

I share Mrs M's frustration at NatWest being unable to demonstrate the application took place after 7am on the day she applied for the savings account. NatWest has explained that the broader information about the application, such as the date and product type, is available and has been provided to this service. But the additional detail relating to the specific time of the application isn't retained indefinitely and can no longer be provided due to the time that's passed – this isn't unusual. I've seen evidence which satisfies me that the correct rate was displayed from 7am and so I've used the remaining information available to me to decide whether it's more likely than not – as this is the test I must apply – that the application took place after 7am.

Mrs M's testimony on the matter doesn't mention the morning. Indeed, it appears to accept its contents could indicate the application was made later in the day – the general indication of which being the afternoon or evening. And so I see no issue with my findings that the testimony points to the application taking place *'later that day.'*

As mentioned above, I must decide if something is more likely than not to have happened. Where there is a lack of conclusive evidence available, I must sometimes make an *on-balance* finding. Given Mrs M's own testimony and the fact that the application would have

needed to have been completed before 7am – a relatively early hour – to benefit from the higher rate, *on-balance* I think it's most likely the application was completed after 7am. It would therefore have been made after the changeover of the applicable savings rates on NatWest's site.

Mrs M asserts that the rate wasn't displayed during her application, stating the site '*did not explicitly advise the interest rate which would be paid.*' But, given my earlier comments around what I've seen of the application process, I'm persuaded the applicable rate was available to review, both on NatWest's general savings site and during the application.

Mrs M's response to my provisional decision commented on inadequacies in NatWest's post-sale correspondence, arguing that any opportunity for her to rely on the cooling-off period was negated. She asked whether NatWest had been compliant in its obligations regarding the Consumer Duty. I noted her concerns around Consumer Duty when reaching my decision, but it may be helpful for me to say that if there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. I've of course considered all relevant regulations when reaching my decision, but the outcome I've arrived at is ultimately based on what I consider to be fair and reasonable.

NatWest has sent me evidence showing that Mrs M was registered and active for online banking when she applied for the savings account, and that she used the facility during the savings account's cooling-off period. NatWest has explained that Mrs M's savings rate was visible through online banking and so I don't agree that the rate wasn't available to her until the cooling-off period expired.

In any case, I'm persuaded NatWest clearly explained the rate and terms at the time of application, giving Mrs M sufficient opportunity to understand the product she was applying for. Whilst consumers often have cooling-off periods available to them, I don't think NatWest intended this to take the place of its customers reviewing the relevant information prior to, and during, the application. Given the detail of the information provided, as well as the inevitable cost of onboarding customers to new products, I don't think this approach was unfair on Mrs M in the circumstances. Mrs M asserts the lack of post-sale information regarding the rate means it wasn't possible to cancel the application with the knowledge that '*the advertised interest rate*' wouldn't apply. I disagree; I'm persuaded the rate *was* advertised when she applied, and that, whilst she didn't get the rate she thought she would, she received the rate she applied for.

Mrs M relied on a printout of the savings rate, expecting the rate to have remained the same upon her return to NatWest's site. But this information was out of date by the time she applied for her savings account, and the rate on her printout had been replaced with a lower rate which, as mentioned, was likely to have been correctly displayed. Mrs M said the printout highlighted the deadline to apply. But, as mentioned in my provisional decision, this printout also explained that NatWest could withdraw the rate at any time. In my provisional findings, I said that as Mrs M saw the deadline, she likely also saw the warning about NatWest being able to withdraw rates at any time – particularly as the text was close in proximity. Given NatWest's warning around the possibility of the rate changing, I don't think it's unreasonable for it to expect consumers to review the detail of any new application being made, including any change in rate or terms. But it doesn't look like Mrs M did so and I don't think it would be fair to hold NatWest responsible for this.

Whether or not NatWest's post-sale correspondence could have done more to make Mrs M aware of the rate she'd applied for, I'm of the opinion that NatWest presented Mrs M with all

the information I'd have expected it to at the point where it was most likely to have been reviewed by its customers, and that it did so in a way which was clear and easy to understand. I'm also persuaded that the rate was available for review through online banking and that Mrs M used her online banking during her cooling-off period, giving her an opportunity to spot the difference between the rate she thought she was getting and the rate which was applied. Because of this, whilst I accept Mrs M's frustration, I think she was presented with the information she needed in order to understand the product she applied for, and so I don't think NatWest made a failing which caused Mrs M to lose out. As a result, I think it would be unfair to tell NatWest to do something for Mrs M in the circumstances of this complaint.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 1 July 2025.

James Akehurst
Ombudsman