

The complaint

Mr H has complained that Conister Bank Limited (“Conister”) held his money in a non-interest-bearing account, prior to opening a Fixed Term savings account.

What happened

Mr H applied to open a Fixed Term savings account with Conister. Mr H subsequently transferred £10,000 to Conister on 21 October 2024 and £65,000 on 24 October 2024, to pay into the Fixed Term savings account that he’d applied for.

Conister received the above amounts, on the day they were transferred, in a temporary Instance Access account. Conister then set up the Fixed Term savings account on 24 October 2024 and transferred the balance of the temporary account into the Fixed Term account. On 24 October 2024, Conister wrote to Mr H to confirm that the Fixed Term savings account had been set up for him, with an interest rate of 5% and had a maturity date of 24 October 2025.

Unhappy that his initial £10,000 deposit wasn’t immediately placed into a Fixed Term savings account, Mr H complained that he didn’t receive interest on the £10,000 between when it was received by Conister and when it was then paid into the Fixed Term savings account.

Conister issued its final response to Mr H’s complaint on 22 November 2024 and didn’t uphold the complaint.

After Mr H referred his complaint to this service, one of our investigators assessed the complaint and they didn’t think that Conister had acted unfairly or unreasonably.

As Mr H didn’t accept the investigator’s assessment, the matter was referred for an ombudsman’s 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.

Having considered everything, I don’t uphold this complaint. I will explain why.

The basis of Mr H’s complaint is essentially that he is unhappy with how long his £10,000 that he initially deposited was held in the non-interest bearing temporary Instant Access account. Mr H paid the £10,000 on 21 October 2024 and it wasn’t transferred into the Fixed Term savings account until 24 October 2024.

To support his point, Mr H refers to clause 3(f) of the terms and conditions, which say:

“ f) Your Deposit may be held in or transferred by us to an Instant Access Account, but only in the following circumstances:

- (i) *Pending allocation to your Account, immediately prior to the Deposit being Cleared for Use in your Account;*"

So Mr H says that, as his payment should've been cleared for use on 21 October 2024, then the money should've been paid immediately into the Fixed Term savings account.

However, earlier on in the terms it says:

"e) Subject to clauses 3(d)(iv) above and 3(l) below, we can accept multiple Deposit payments from you in relation to your Account up to the Maximum Deposit Amount of £100,000, but only if such payments are made by Direct Transfer within 30 calendar days from the date on which you receive notification from us that your application has been successful and your Instant Access Account details have been provided into which your Deposit will be initially transferred pending allocation to your Account (see 3(f) below). Once we have received the Minimum Deposit Amount and any additional Deposit payments you will be able to view your Account balance online through the Self Service Portal."

So based on the above, I'm satisfied that the terms and conditions do allow for Conister to open an instance access account to receive multiple deposits into, pending allocation to the Fixed Term savings account. And in this case, I understand that Mr H had indicated that he wanted to pay £80,000 into the Fixed Term savings account. So, after Mr H had transferred £10,000 to Conister, it seems that Conister was waiting for him to pay the rest of the money that he wanted to go into the Fixed Term account, before then setting it up for him.

In addition to the above, Conister wrote to Mr H on 17 October 2024 i.e. before he'd transferred any money to Conister, and said:

"When you transfer funds into your Fixed Term Deposit account, they will initially be held in an instant Access Account, which is automatically created for you....

To finalise your application, please transfer the funds you are investing to the payment details above. Please ensure you include the reference number above to facilitate accurate allocation of your funds. Our team will then finalise the application and transfer the funds to your Fixed Term Deposit Account, within 3 working days. Interest will start to be earned at this point."

So from the above, I'm satisfied that it was made clear to Mr H that, when he pays money into the Fixed Term savings account, the money will initially be held in an Instant Access account. And I'm satisfied that Conister confirmed it would then finalise his application by setting up the Fixed Term savings account *within 3 working days*. And Mr H's Fixed Term savings account was set up within 3 working days of his initial £10,000 deposit being received by Conister. So overall, I'm satisfied that Conister had explained to Mr H how it would handle his deposits, before he'd transferred the money over, and that its subsequent actions were consistent with what it'd told Mr H it would do.

As a final point, if it were the case that the Fixed Term savings account started on 21 October 2024 - and not the 24 October 2024 as it actually did - this would mean that the Fixed Term savings account will have already been running for 3 days, by the time that Mr H paid the £65,000 into the account. Or to put it another way, if the account started on 21 October 2024, Mr H would earn the full 365 days of interest on £10,000, but would only earn 362 days of interest on £65,000. So I think that Conister was being reasonable to Mr H, in delaying the start of the Fixed Term savings account to allow him to fully fund it before

starting it. By doing this, Conister ensured that the full amount Mr H wanted to put in the account earned interest for a full 365 days.

So taking everything into consideration, I don't think that Conister acted unfairly or unreasonably in how it handled matters.

My final decision

Because of the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 April 2025.

Thomas White
Ombudsman