

## **The complaint**

Mr A complains that Leeds Building Society ("LBS") won't allow him to keep his second home saver account open when it was LBS's error that allowed him to open multiple accounts. Mr A believes because he did nothing wrong and LBS approved all his applications, that LBS should honour the agreement and pay the contractual rate of interest.

## **What happened**

In October 2024 Mr A opened a home deposit saver and a regular saver account online with LBS. The following month Mr A opened another home deposit saver and a further two regular saver accounts.

The terms and conditions state under the eligibility criteria of the different accounts that:

"You are only allowed one account per customer."

and

"You may only hold one Leeds Building Society Regular Saver product at a time..."

But as later issues of these accounts came out Mr A wasn't sure whether he was able to hold more than one of these types of accounts and called LBS to confirm. LBS wrongly advised that he was able to hold several accounts as long as they were different issues and that there was nothing wrong with what Mr A had done.

Following this Mr A was informed that he wasn't allowed to hold more than one regular saver account and that he would have to close two of the most recently opened accounts. Mr A raised a complaint that the terms and conditions were ambiguous and that by approving all the applications LBS had established a contract and that LBS should have configured its systems to prevent or reject multiple applications if this wasn't allowed.

LBS accepted it made an error and that Mr A was wrongly able to open multiple regular saver accounts and misinformed about this. As a gesture of goodwill LBS agreed to let Mr A keep open all the regular saver accounts and compensated him £75 for the inconvenience which Mr A accepted.

On receiving this complaint LBS discovered its error had also resulted in Mr A wrongly holding two home deposit saver accounts and so it informed Mr A that one of these accounts needed to close to and if Mr A didn't do this the account would be changed to an access saver account. LBS confirmed that feedback would be provided to the managers of the colleagues in error and that it was in the process of changing the terms and conditions to make it easier to understand and less ambiguous.

Mr A was unhappy with this as he thinks LBS should allow him to keep his home deposit saver account like it did with the regular saver accounts and doesn't think it fair that LBS link the complaints together when he hadn't yet raised a complaint about the home deposit saver account. And so Mr A brought his complaint to this service.

LBS explained that it wasn't possible to keep all the home saver accounts as there was a £500 incentive on completion of a residential mortgage on the home saver account.

One of our investigators looked into Mr A's concerns and accepted Mr A's reasons for wanting to keep his second home deposit saver account open but explained it wasn't our role to police LBS's internal processes or policies or to tell LBS what products or services it must provide. They thought that LBS's resolution to his complaint was fair as Mr A had been put in a better position than he would've been had LBS not made an error by allowing him to keep more than one of his regular savings accounts.

Mr A disagreed, he says he did nothing wrong and as LBS approved his applications that it should honour the agreement and pay the contractual rate of interest he was expecting. He says the forced closure of any of his accounts represents a detriment to his future interest earning potential and that the £75 compensation is not enough to cover this. Furthermore, Mr A is unhappy at the way his complaints have been lumped together as one and that his complaint about his home deposit saver account has been treated as feedback. Mr A has asked 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.

My role is to look at the problems Mr A has experienced and see if LBS has done anything wrong. If it has, I would seek – if possible - to put Mr A back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case it is not disputed that LBS have made an error in misinforming Mr A he was able to hold more than one account. So I don't need to make a finding on this point. All I have to do is determine whether what LBS have done to put things right for Mr A is a fair way to settle his complaint. As a gesture of goodwill LBS have allowed Mr A to keep his regular savings accounts open but have asked he close his second home deposit account.

Mr A is unhappy with this and thinks because LBS allowed him to keep his regular savings accounts it should do the same for his second home deposit savings account. He says he will be financially disadvantaged if he has to close it. LBS has explained it is not able to make an exception here as the home deposit account comes with a £500 incentive.

I should explain here as a general rule LBS isn't obliged to open an account or keep an account open for a customer if it doesn't want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with. And nor is it our role to tell a business to make changes to its systems or processes – such as how accounts are opened. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

So I can't force LBS to keep Mr A's second home deposit savings account open - just like I can't force Mr A to continue to bank with LBS - it simply wouldn't be fair as both businesses and customers need to have the freedom to choose who they do their banking with.

I appreciate that this is both frustrating and disappointing for Mr A as he was expecting to keep his second home deposit account and maximise his return and finding another banking provider that offers the same return will be inconvenient and might not be possible.

But LBS have made an exception to its policy and allowed Mr A to keep his extra regular savings accounts which I think puts Mr A in a better position than he'd be in if it hadn't made any mistakes. I say this as if LBS had done things right to begin with Mr A would've never been allowed the other regular savings accounts and Mr A would've been advised accordingly. So as a result of LBS's error Mr A has benefitted and has been able to invest and receive interest on more money than he should've been. And so because LBS has placed Mr A in a more favourable position than he should've been I can't say he's been financially disadvantaged and I don't think LBS needs to do anything more.

Mr A is unhappy that all his complaints have been lumped together and doesn't believe the £75 compensation is enough or that it was fair to treat the error regarding the home deposit savings account as feedback.

But the subject matter of the complaint and the error is the same – misinforming Mr A he was able to open and hold more than one type of savings account. And it was Mr A complaining about this that brought the other wrongly opened account to light and instigated LBS to have this corrected. And even if Mr A raised the complaints separately regarding the home deposit and regular savings accounts that wouldn't necessarily mean that more compensation would be paid or each error would be compensated separately or in the same way. Indeed, we'd look at the situation as a whole and what LBS had already done and whether there had been a fair outcome overall or whether there is still more to do.

As well as allowing Mr A to keep his other regular savings accounts LBS have compensated Mr A £75 for the inconvenience caused by its error which I think is fair as I haven't seen that Mr A has suffered any further inconvenience by treating this as one complaint. Indeed, by doing this I think it has taken some of the administrative burden of raising a separate complaint away. In any case complaint handling isn't a regulated activity and so this is not something I can look at. All I can decide is whether what LBS has done to settle Mr A's complaint is fair and reasonable in the circumstances and I think it is.

### **My final decision**

For the reasons I've explained I've decided what Leeds Building Society has already done to settle Mr A's complaint is fair and I'm not going to ask that it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 April 2025.

Caroline Davies  
**Ombudsman**