

## **The complaint**

Mr P complains about how Newcastle Building Society (NBS) dealt with his application for an ISA and the service it provided around this.

## **What happened**

Mr P wanted to open a Triple Access ISA account. On 16 December 2022, Mr P was sent two application forms for a 'Triple Access ISA Issue 3' and a '3 Year Fixed Rate ISA Issue 17'. While Mr P wasn't aware of this, NBS withdrew issue 3 of the Triple Access ISA from sale on 22 December 2022, although it would consider applications up to 22 January 2023.

Mr P returned the covering form for a Triple Access ISA Issue 3 and an annotated version of the fixed rate account application form dated February 2023. NBS received these forms on 9 February 2023. Mr P didn't hear anything from NBS and when he contacted it on 9 March 2023, he was told it was still being considered as there had been a large number of applications. It was only on 15 April 2023 that NBS wrote to him to say it had rejected his application because it had been made too late – although Mr P said he didn't receive this letter.

Mr P eventually complained to NBS about how it had treated his application, saying he hadn't received responses to his letters and emails about this matter and that he had been told that his account had been opened. NBS initially responded and said that Mr P had applied for the 3 Year Fixed Rate product and that by the time it had received his application forms, this product was no longer available and it was outside of the relevant timeframe that it would consider applications in.

Mr P went back to NBS to reiterate his complaint and confirm that he wanted to open a Triple Access ISA. NBS looked into his complaint again and confirmed that it had received an application form for the fixed rate account with a covering letter to open a Triple Access ISA. It said that during the call Mr P mentioned, a member of staff only confirmed that documents had been received, not that an account had been opened. NBS explained that, regardless of the type of application form received – the application would have been rejected because it was outside of its timeframes. It confirmed a letter had been sent in April 2023 to explain this.

Mr P referred his complaint to this service, where one of our investigators looked into it for him. They found that NBS had provided ample time for Mr P to have returned his completed application forms for the account he wanted – even in his circumstances. They said that NBS was entitled to have withdrawn the products here and that it did tell him the outcome of his application on 15 April 2023.

Mr P disagreed, saying (in summary) that NBS had sent him the wrong form for the application and he had annotated what he had received to make sure he opened the correct account. He said that NBS had confirmed that it had tried to open the wrong account and he believed the application had gone ahead.

## **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.

It's very clear that this has been a difficult situation for Mr P and that he's had to put a lot of effort into the application, along with making and pursuing his complaint. I've carefully considered all he's sent us and told us about the impact on him, including about his specific circumstances and his health. Having done so, I'm mindful that the outcome I've reached below will no doubt be a disappointment, as I'm not telling NBS to do any more. But I'll explain why that is.

While Mr P may not see it this way, the underlying problem here is that by the time Mr P returned the application documents he received in December 2022 for the issue of the Triple Access ISA he wanted - that product had been withdrawn from sale. NBS received his application on 9 February 2023, by which point even NBS's extension to the deadline for applications had elapsed on 22 January 2023. So by the time that NBS received his completed form, it would always have been entitled to have rejected his application. I know Mr P sees this differently, but I think that's a position that NBS has taken fairly in the circumstances.

Mr P has also referred to some confusion around the forms that NBS sent him. It does seem like he was sent two sets of application documents – one for a Triple Access ISA Issue 3 and one for a Three Year Fixed Rate ISA (Issue 17). But Mr P sent NBS a clear cover letter that explained he was enclosing completed forms for a Triple Access ISA Application and Cash ISA Transfer Triple Access ISA. So I think it would have been reasonably clear to NBS that he was applying for the account that he had been provided the details of in December 2022 – and the full name of that account was the Triple Access ISA Issue 3.

Mr P has mentioned on several occasions that NBS told him that it was trying to open the fixed rate account rather than the Triple Access ISA. But that doesn't change the underlying issue here – which is that the application forms were received too late. So even if NBS was trying to open the other account, it wouldn't change the fact that the outcome of his application for the Triple Access ISA Issue 3 would always have been declined where it had been made too late.

So Mr P's intention has always been clear, he wanted to open a Triple Access ISA Issue 3 but by the time he sent in his documents, it was too late for him to do that. I have carefully considered what Mr P has told us about his circumstances and health conditions. I accept that it would take him longer than most to deal with matters like this. But NBS sent him the required application forms in December 2022 and they were only returned in February 2023. Even accepting the reasons that it took Mr P this time to return the documents – I find that the period of time NBS would have given him to apply for this account be fair.

This means I think NBS has always been entitled to have declined his application. Mr P says that there was a Triple Access ISA available at the time that he completed his application form and that he didn't specify an issue number on the application. But he also confirmed and returned a letter to NBS confirming that he was seeking to open the Triple Access ISA that he received the application form for in December 2022 – which was Issue 3 of this account.

NBS treats issues of this product as separate releases of products and so I don't think NBS should have treated Mr P's instruction to complete the application he made in December 2022 as a request to open a Triple Access ISA regardless of the issue number.

If it did that it would have ultimately opened a new issue of an account with a different interest rate to the one Mr P was asking it to open – which may not have been suitable for him. The rate may have been better than the one on the issue Mr P had applied to open, but NBS wasn't to know that this would, or wouldn't have been suitable for him. Ultimately its role here was to deal with the application he made and I'm satisfied it did that.

NBS did take a long time to tell Mr P about the outcome of his application though when it sent him a letter dated 15 April 2023. Mr P says he didn't receive this, but NBS has provided a copy of the letter it says was sent and I'm satisfied its more likely than not that it was sent.

NBS says it took such a long time due to the significant number of applications it had received, but that wasn't Mr P's fault. We asked Mr P about what he would have done if he were told that his application had been declined sooner. He said that he would have made an application as soon as his health would have allowed and that he only applied for a new Triple Access ISA Issue 5 on 18 July 2024 because he was *just* well enough to attempt an application.

I understand Mr P's point here and sympathises with his circumstances. But given that I'm not persuaded that NBS made a mistake in the outcome of his first application and given the time that passed between that application, when NBS advised Mr P of its outcome and then when he made his further application – I don't think it would be fair to expect NBS to backdate any interest or take any further action here.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 April 2025.

James Staples  
**Ombudsman**