

The complaint

Mr F complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Ulster Bank failed to account for some interest on his savings and that its terms and conditions (Ts and Cs) for paying interest were misleading.

What happened

In January 2025 Mr F transferred £2,400 into his loyalty savers account. He later discovered that Ulster Bank hadn't paid two days interest. When he queried this, it told him that this was because, although the funds were immediately available, it didn't start calculating interest until the next business day. As the transfer was done on the Saturday this meant that interest didn't start running until the following Monday.

Mr F was not happy with this - he pointed out that the Ts and Cs stated that for an electronic transfer the money will be credited and will start earning interest (if payable) on the same day. He received poor customer service, spending a lot of time chasing matters up by telephone and sending emails that kept getting rejected.

Ulster Bank said that it hadn't made an error in the calculation of interest. However, it recognised the distress and inconvenience caused by misinformation given by its agents and the poor customer service Mr F received. It paid a total of £400 compensation.

On referral to the Financial Ombudsman Service, our Investigator said she thought the payment of £400 compensation was fair and resolved the complaint.

Mr F didn't agree and pointed out that the compensation was for the customer service issue and that Ulster Bank hadn't paid back the two days interest.

The matter has been referred to me for review.

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.

I should reiterate that we look at individual complaints to reach a fair resolution. I can't tell Ulster Bank to review or amend its terms and conditions, nor can I ask it to take any action regarding any other customer. I have noted however that in response to Mr F's comments, Ulster Bank did provide feedback for an internal review of its terms and conditions. Although again it's a matter for the bank whether it decides to take any future action.

Mr F also asked us to review a transfer of some £12,700 on 1 January which he says missed one day's interest. So he doesn't have to make another complaint about it I'll take that into account in this decision.

In respect of the Ts and Cs, these say:

“When we receive an electronic transfer, the money will be credited to your account (i.e.

available for you to use and will start earning interest (if payable)) on the same day.”

I agree that this isn't clear. The words “*if payable*” could account for Ulster Bank's calculation of interest, although that's more likely to refer to non interest-bearing accounts. And the Ts and Cs don't refer, in respect of electronic transfers, to interest not starting to be calculated until the next business day. I'll deal with compensation below.

Ulster Bank has admitted poor customer service here. Its agents initially told Mr F that it paid interest on savings accounts from the day the funds were credited to the account. Mr F then made several calls to the bank to get answers to his queries. He also sent emails that were rejected by the server, due to the wrong email address being given to him. Ulster Bank paid Mr F a total of £400 compensation.

As regards compensation, our Investigator has sent Mr F details of our compensation guidance. We say an award between £100 and £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out.

Here, Mr F's original complaint was responded to, and compensation of £200, paid on 8 January 2025, the transaction having taken place on 4 January. Mr F didn't accept the response concerning the calculation of interest. The complaint was reactivated on 13 February and a final response issued on 25 February when a further £200 was paid.

The amount of interest that arguably Ulster Bank should have paid was (rounded up) £0.60 for the £2,400. I accept that Mr F paid in around £12,700 on 1 January. The interest for one day would have been (again rounded up) £1.58, so a total of £2.18. This is based on a 4.5% interest rate.

I can award compensation though this will always be within our guidance, and as I've said the maximum I would have awarded is £300. Ulster Bank has paid £400. So, even taking into account £2.30 interest, Ulster Bank has already paid £100 more than the maximum I would have awarded. So I don't propose to make any further award.

My final decision

As Ulster Bank has already paid sufficient compensation, I won't make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 September 2025.

Ray Lawley

Ombudsman