

The complaint

Miss K complains that Skipton Building Society (“Skipton”) failed to take any action to ensure her ISA on maturity received the best available rate on offer. Miss K believes Skipton’s maturity process is designed to make it more difficult to achieve a good outcome for maturity rate customers than new customers as it is easier to mature into a fixed rate product on a lower rate than it is to switch to another ISA provider or ISA product.

What happened

On 15 April 2022 Miss K invested online in a 30 Month Online Fixed Rate Cash ISA maturing on 3 November 2024. At the time of investment Miss K was provided with the full terms and conditions of the account and asked to confirm she read and understood them. Miss K was informed at the time that unless she told Skipton otherwise that on maturity her money will continue in a 1 Year Fixed Rate Cash ISA which was the ‘do-nothing option’.

On 14 October 2024 Miss K received a notification informing her that her ISA will mature on 3 November and if she took no action her ISA would be transferred as per the do-nothing option. The notification also outlined her other options including:

Choose a new product from Skipton’s maturity range (enclosing the rates on offer); or

Choose a new product from its full savings range (noting that if the product is withdrawn from sale prior to maturity, it can’t honour instructions).

Skipton also advised that Miss K had up to 21 days after maturity to choose an alternative product or to transfer to another ISA product from its full range on sale at the time or to add/withdraw money or close the account and the ways Miss K could do this.

Skipton’s audit records show that on 15 October 2024 Miss K chose to transfer her ISA on maturity to a new product – Cash ISA Saver Iss 22 - and saved the ‘Maturity Transaction’ at 19:20 but failed to complete the next step of checking these and submitting the instruction.

On 8 November Miss K contacted Skipton regarding why her instructions hadn’t been carried out and as she was within the 21-day cooling off period a representative of Skipton carried out the maturity instruction on her behalf and confirmed in writing it had made the changes to her account and added any applicable interest to her balance.

Miss K complained to Skipton that the default maturity rates on offer were much lower than the rate offered to new customers and that this appeared to be a deliberate attempt to exploit customer inertia and in breach of the Financial Conduct Authority’s (FCA) consumer duty as it is unlikely to result in good customer outcomes.

Furthermore, Miss K complained that despite instructing Skipton to put the funds into an easy access ISA – with the intention of transferring to an external ISA provider – this wasn’t completed, and she had to contact it to correct this.

Miss K asked for an explanation from Skipton as to why it considers that this poor practice complies with regulatory rules supported by analysis from its legal department and details of its proposals to ensure this inappropriate practice will be phased out with immediate effect and a full and unreserved apology for shoddy treatment of loyal customers by Skipton.

Skipton didn't uphold Miss K's complaint. It explained the rates of interest provided by it are at its discretion and are a result of commercial judgment taken in light of a wide range of different factors including retail funding requirements for its business and competition within the marketplace, and that it continually reviews the situation and considers the needs and expectations of its members.

It explained that the interest rates sent in her maturity communication are guaranteed to be available when her account matures which ensures that should its on-sale interest rates change around maturity they will still be able to obtain the rates within the maturity offer. It explained that customers have the option to choose from on-sale products once their account has matured, but it was unable to guarantee that these will still be available on maturity which is why they were not included within the maturity communications.

Miss K was dissatisfied with this and so brought her complaint to this service.

Miss K believes Skipton didn't act in good faith and failed to enable or support customers to make good decisions or act to avoid foreseeable harm because existing customers received a lower return on their funds that was available to other customers.

Miss K says this was compounded by Skipton seeking to retain her funds even after she had selected an instant access account with the intention of transferring out.

She wants a full apology from a senior manager with the prescribed responsibility for Consumer Duty implementation at Skipton and for it to provide a plan setting out how it intends to put an end to this kind of poor customer treatment, to retrain staff and instigate a meaningful cultural change.

Skipton says during the period between 2 November and 8 November when her ISA matured but before her maturity instructions were actioned, that Miss K was actually earning a higher rate of interest than the account she intended to transfer in to and so she had not suffered a financial loss as a result of her not submitting her maturity instructions on 15 October.

One of our investigators looked into Miss K's concerns but didn't agree Skipton had made an error or failed to fulfil its obligations in line with the Consumer Duty. They thought that the options on maturity given to Miss K were clearly highlighted in advance including the option to choose from Skipton's full savings range. They thought it wasn't unreasonable that the rate of products it had online weren't included in the maturity communication as they weren't guaranteed like the maturity rate and could change at any time and that Miss K was still able to take advantage of these rates 21 days after maturity.

They didn't agree that Skipton had made an error and failed to complete Miss K's maturity instructions as Skipton's audit trail showed no evidence that Miss K had finalised these but rather that as Miss K manually input the balance instead of selecting 'transfer full balance' and saved the maturity transaction but then failed to continue on to the final step to check and submit her instructions by clicking the blue 'Submit instructions' box. And as Skipton demonstrated that Miss K would've received a reminder highlighted stating 'your instructions won't be completed until you've clicked 'submit instructions' below' they thought it had clearly explained to finalise the maturity instructions it had to be submitted.

Miss K disagreed and so her complaint was passed to an ombudsman for a decision on the matter.

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.

Miss K believes that Skipton are in breach of several items of industry regulation impacting its consumers in particular "sludge" practices. It might help if I explain here that this service isn't a regulatory body or a Court of Law and doesn't operate as such. So it isn't within my remit to decide if Skipton have or haven't acted out of accordance with industry regulation. If Miss K feels that Skipton have acted out of accordance with regulation, she may want to raise this matter with the FCA who are the relevant regulatory body in this instance.

This service is an informal dispute resolution service, with a remit based on fairness of outcome. And as such while I have considered the regulatory principles to which Miss K refers, including the Consumer Duty, my decision is ultimately based on whether I feel that Skipton have acted unfairly towards Miss K in her circumstances – from an impartial perspective and in consideration of all the information and evidence available to me. And having considered everything carefully, I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

Miss K believes Skipton's maturity process failed to enable and support retail customers because in its maturity communication it only provided the maturity rates it had on offer. But I disagree.

The Consumer Duty sets out requirements for financial institutions to support their consumers to pursue their financial objectives through the provision of clear and timely information and good customer support and I am satisfied Skipton have done just that in this instance.

Skipton made Miss K aware from the outset that if she didn't provide maturity instructions that her funds would default to its maturity rate. Furthermore, before this happened it gave her advance notice of when her ISA was maturing and gave her clear information on what her options were which included reinvestment in all the rates it had on offer – maturity and on-sale – and how she could action this.

I accept that in its maturity communication it only provided the rates for its maturity products and not all the rates that were on sale. But I don't think this is unreasonable as Skipton has explained this is offered in the maturity communication as it is a rate that it can and is willing to guarantee.

By providing a guaranteed rate I think Skipton are acting in the best interests of the customer by ensuring they have something at maturity they can guarantee as a minimum. And as I understand it the default maturity rate Miss K received prior to her maturity instructions being actioned turned out to be better than the on-sale rate she had selected.

I'm sure Miss K understands markets fluctuate and as Skipton doesn't set the Bank of England base rate and so can't say for sure whether it will go up or down, I don't think it is unreasonable to provide a maturity rate that might or might not be lower than what else is on offer but still within its risk appetite – financial institutions need to be able to adapt to the markets to remain both viable and profitable.

And if Miss K was unhappy with the maturity rates on offer, she still had 21 days after maturity to choose a different rate out of all the rates Skipton had available at this time and if she remained unhappy with the rates on offer, she had the option of moving her funds and investing elsewhere. And although financial institutions should offer a fair deal, Skipton's is not obliged to provide the best deal. Indeed, the FCA have highlighted that consumers should still shop around if they want to get the best deal.

Ultimately, what rate of interest a business provides for deposits held with it and its reasons why is a commercial decision. Just like it is up to Miss K to decide whether to accept what Skipton is offering or to take her business elsewhere. Indeed, this is the mechanism Miss K and other customers have to challenge interest rates and encourage competition in the market.

Miss K feels that Skipton should automatically lock in the highest rate available at the maturity date. But Skipton has explained its processes aren't set up to do this and even if this was possible that not all products on offer at any given time are the same as what the customers agreed to and so it can't lock in a customer automatically to the highest rate as they need for the customer to accept the terms and conditions of the account before doing so, which I think is a reasonable explanation for why it can't do this.

So, I don't think Skipton acted unfairly when it only provided the details of the maturity rates it had on offer in its maturity communication as it clearly explained that there were other rates on offer from its full savings range, how to access these and the maturity rates were all it could guarantee without action being taken by Miss K personally.

And nor do I think the process Skipton has for providing maturity instructions was unfair or unclear or overly burdensome for Miss K. Skipton has provided screenshots of its customer journey, and I can see that right at the start Miss K would've been told the maturity date and under 'important' the time and date she had to complete her maturity instructions.

Miss K would've been given the option to continue saving, consider investing or withdrawing her money. Skipton made it clear under the continue savings option Miss K chose that as well as the rates provided in its maturity letter, Miss K can also click on a link to view and chose from its full savings range and select a product there. The steps in the process appear logical and in my view the instructions are simple to follow.

I accept in Miss K's case her instructions weren't completed by Skipton but from what I've seen this is down to her not completing the process by submitting her instructions rather than it being a difficult process to follow, so I can't say Skipton made an error here or did anything wrong. And in any case as Miss K's failure to submit her instructions on the 15 October - as I understand it - financially benefitted her, I don't think Skipton needs to do anything more here.

So it follows, I do not uphold Miss K's complaint as I don't think Skipton has made an error or treated Miss K unfairly.

My final decision

For the reasons I've explained, I do not uphold Miss K's complaint against Skipton Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 July 2025.

Caroline Davies
Ombudsman