

The complaint

Mr B complains that Nationwide Building Society didn't notify him that his one-year fixed rate Individual Savings Account (ISA) had matured and been transferred to an Easy Access ISA.

What happened

The circumstances of this complaint are well known to both parties. So, I won't repeat all the details here. Rather, I'll provide a summary and focus on the reasons for my decision.

Mr B complained to Nationwide saying:

- He didn't receive a pre-maturity reminder or notification on maturity that his fixed rate ISA had been transferred to an Easy Access ISA in line with the terms of the account.
- Correspondence he subsequently received was sent in an unmarked envelope, so he wasn't aware of the importance of the correspondence. As a result, he made a financial loss.
- There was a delay in it responding to his complaint and contacting the complaints department was difficult and time-consuming.

Nationwide acknowledged that the customer service Mr B had received after he lodged his complaint was below what he had a right to expect. It apologised and it offered him £100 compensation in recognition of the failings.

But it didn't accept it had failed to fulfil the terms of Mr B's ISA. It said it had written to Mr B before his ISA maturity date – in line with the account terms and conditions. And that correspondence is sent in unmarked envelopes for security reasons. It added that it has responded to Mr B's complaint within the timescales allowed.

Unhappy with the outcome, Mr B referred his complaint to this service. But our investigator didn't think Nationwide had handled the maturity of Mr B's ISA incorrectly. And she thought the £100 compensation for poor service was fair.

Mr B didn't agree. He said the investigator had overlooked the terms of his fixed rate ISA and that unmarked envelopes being sent for security reasons is untrue as he receives statements from a different bank with its logo on.

Mr B asked for his complaint to be escalated to an Ombudsman, so it's been passed to me to decide.

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 done so, while I'm sorry to disappoint Mr B as I can see how strongly he feels about this matter, I've reached the same overall conclusion as our investigator. I'll explain why.

Mr B has said that he doesn't dispute the issue of a pre-maturity letter being sent and not received as he says this can't be proved. His main concern - as I understand it, is in relation to the original terms and conditions he was issued with when he opened the ISA. He says these indicate a letter should have been sent to him when the ISA matured. He feels this has been overlooked by our investigator.

The section of the terms Mr B has pointed to say:

'After the fixed term ends (maturity) your money will be transferred into an instant access cash ISA. The terms & conditions & the interest rate applicable to that account, at that time, will apply. We will personally notify you before making this transfer'

Mr B's ISA matured on 28 July 2024, but he didn't get any correspondence from Nationwide until 29 August 2024 – and when it was received it was in an unmarked envelope, so he didn't realise the importance of it.

I've thought about this carefully. But having done so, I'm not persuaded the term Mr B is relying on suggest that Nationwide would write to him on maturity. I find the key phrase in the terms is that Nationwide will *'notify you **before** making this transfer'*.

And Nationwide says it sent a pre-maturity letter to Mr B on 4 July 2024 - before the ISA maturity date. And I haven't seen anything in the terms and conditions which state that Nationwide was required to contact Mr B again before or on Maturity.

Given the above, while Mr B says he no longer disputes that a pre-maturity letter was sent, I think this is the crux of the complaint as the terms – as set out above, are clear in that Nationwide would write to Mr B before the maturity day – and he says he didn't get the letter.

As mentioned above, Nationwide says that a pre-maturity letter was sent to Mr B on 4 July 2024. I've seen a copy of this letter which is headed *'Your Fixed Rate ISA is about to end. What next?'* And in the opening paragraph it says:

'When it matures, your money will automatically move into a maturity ISA. This pays less interest than you could earn in another type of savings' product. So, we wanted to give you time to decide what you would like to do next with your money'.

The letter goes on to set out the options available to Mr B and includes a form for him to complete and return. The letter also said the form needed to be received by Nationwide before the maturity date. I find this letter provided sufficient detail for Mr B to have reasonably aware that his ISA was due to mature and what would happen if he didn't provide new instructions prior to maturity.

Nationwide said such letters are sent automatically and the copy it has provided is correctly addressed to Mr B, quotes his account number and value of his ISA. While it's entirely possible that Mr didn't receive this letter - as post does go astray from time to time, on-balance, I think it's most likely that the letter was sent. It follows therefore that I'm persuaded that Nationwide sent Mr B a pre-maturity letter in line with the ISA terms and conditions.

I appreciate that Mr B has said that when he has held ISAs with other providers, he has always received correspondence on maturity. And that subsequent correspondence about his ISA from Nationwide was received in an unmarked envelope. But I can only comment on the individual circumstances of this complaint. And, for the above reasons, I'm persuaded Nationwide did enough to notify Mr B before the ISA matured in line with the terms of this

ISA. And I've not seen anything that would make me think that Nationwide was under any obligation to use envelopes with its logo or name on.

Complaint handling

Mr B has commented on the service he received from Nationwide in relation to his complaint and the length of time it took Nationwide to respond to it. Complaint handling is not a regulated activity and not something this service generally comments on. But for completeness I would like to explain that respondent businesses are usually allowed eight weeks to respond to a complaint. Mr B says he complained to Nationwide on 24 September 2024. As Nationwide's response as dated 15 November 2024, I'm satisfied that Nationwide responded within the required timescales.

Nationwide hasn't disputed that the service Mr B received during the complaint process fell below what it would expect. It has offered Mr B £100 compensation in recognition of this. I'll leave it to Mr B to decide if he wishes to contact Nationwide to arrange payment (if he hasn't already done so).

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 August 2025.

Sandra Greene
Ombudsman