

The complaint

Mrs D has complained that Leeds Building Society failed to pay the appropriate interest when she closed her ISA.

Mrs D has been represented in bringing her complaint. But for clarity, I'll refer to all submissions made on her behalf as having been made by her directly.

What happened

Mrs D had an ISA with Leeds Building Society. However, when the account was closed, interest hadn't been paid. She complained, and although interest was then paid, this was the wrong amount. This was only rectified when she raised the matter.

Leeds Building Society accepted it had made a mistake, and has now backdated the interest to the date the transfer should have been carried out, and also added compound interest. Further, it's offered £500 compensation.

Our investigator thought that Leeds Building Society had done enough to put things right. Mrs D disagreed, and also said further damage could have been caused, as Leeds Building Society transferred funds to an account with a very low interest rate.

The complaint's now been passed to me.

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 can see that Leeds Building Society made mistakes in not applying interest, then not calculating it correctly. And, had Mrs D's representative not monitored this, and performed his own calculations, the issue may not have been remedied – although it's possible it would have been picked up in a later account review. So, it's very fortunate and to his credit that he saw what had gone wrong when he did.

That said, it's not my role to punish Leeds Building Society; rather, it's to put things right. And I can see the interest has been backdated and paid. £500 has also been offered for the distress and inconvenience caused to Mrs D, and I think this is a significant sum. It is in line with awards our service would typically make – and is possibly higher. So, I won't interfere with it.

I'm also aware that monies were transferred to a low interest account, but once the money had been transferred, Mrs D could do with it as she chose. I'm not aware of any detriment having been caused, and I don't make any award for this.

My final decision

It's my final decision that the interest payment made, and the £500 offered, by Leeds Building Society are fair to put things right. I leave it to Mrs D to decide whether, on

reflection, she'd like to accept the £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 16 September 2025.

Elspeth Wood
Ombudsman