

## **The complaint**

Mr C is unhappy with the interest rate on his account with ALLICA BANK LIMITED.

## **What happened**

Mr C had a 12-month savings account with Allica. It emailed him on 26 February 2025, explaining the term was coming to an end. It said that (if the money were reinvested) it would ensure Mr C got the best rate. So, if it was offering a higher rate than that Mr C currently had, at the date of the reinvestment on 27 March 2025, the higher rate would automatically be applied.

Allica then contacted Mr C again on 28 March 2025, to say it had deposited the funds into a 'Personal 12M Fixed Term Savings Issue 64' savings account, with an interest rate of 4.10%. This was the same as the rate he'd been receiving previously.

Mr C feels this wasn't the best rate.

One of our investigators looked into what had happened. He thought it was clear from Allica's website that the rate of the new account was 4.10%, and this information would have been available to Mr C.

Mr C disagreed. In summary, he said that the rate guarantee is misleading, as it implies he will receive the 'best rate'. But, retaining the same 4.10% rate suggests the guarantee provided no tangible benefit, despite its marketing as a customer advantage. He feels Allica had a duty to provide clear, proactive communication about how the guarantee would function in practice – and that it should have proactively explored higher rates.

## **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, I'm not upholding it. I know Mr C feels strongly about the matter, but I'll explain why.

I think the email Mr C received is clear, that the interest rate will remain the same, or be higher if there's a higher rate available. Here, the highest rate available was 4.10%, as Allica has explained. So, I don't think it failed to provide Mr C with the best rate available to him, or that the email implied the rate would increase.

Mr C feels that the email creates a reasonable expectation that, if the rate remains the same, Allica will explore alternative options – such as preferential rates for returning customers. But I don't agree that this is what the email implies. I consider it to be clear that the rate will either remain the same, or be higher – if a higher rate is available at the time. Here, a higher rate was not available.

**My final decision**

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 November 2025.

Elspeth Wood  
**Ombudsman**