

The complaint

Mr S complains Principality Building Society merged all of his accounts into one meaning an account he'd recently opened was closed causing him distress and inconvenience.

What happened

Mr S had three savings accounts with Principality at the beginning of 2025. He opened a fourth account on 23 January 2025.

Mr S received an email from Principality on 28 January 2025 saying that all of his accounts would be merged into one account. He says he didn't think this included his newly opened account as Principality listed the accounts that would be merged and that list only included the three savings accounts he had at the beginning of the year. In fact, his newly opened account was also closed as it was merged into one account along with his other three. Mr S complained saying he wanted his account re-opened otherwise he would lose out.

Principality looked into Mr S's complaint and said that it had taken a decision to merge customer accounts and that the comms for this had been produced in advance. Because of this the comms didn't include the details of Mr S's newly opened account. Principality said that it tried to contact Mr S as he'd been identified as someone who might be impacted but as the call was unsuccessful he'd been sent a secure message. Principality accepted that the secure message could have been clearer and agreed to pay Mr S £50 in compensation.

Mr S wasn't happy with Principality's response and so complained to our service.

One of our investigators looked into Mr S's complaint and having done so recommended that Principality pay an additional £100 on top of the £50 it had agreed to pay.

Principality disagreed with our investigator's recommendation saying that £150 in compensation was disproportionate if solely based on the secure message's content. Because Principality didn't agree, this complaint was passed to me for a decision.

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 understand why Mr S wanted to keep his newly opened account open – and can see why he believed the terms and conditions support him – but ultimately I agree that this was a legitimate business decision that Principality took and is not something I would say was unfair and unreasonable. That doesn't mean, however, that I don't think Mr S has anything to complain about. I say that because I agree that the comms that Principality sent weren't clear what this all meant for Mr S's newly opened account and, given that this was the only account not mentioned in Principality's email, I can understand why it would have come as a shock to Mr S when he was told his newly opened account had been closed. I can see too that he had to spend a bit of time following the issue up. So I agree compensation is appropriate.

We typically make awards of between £100 and £300 for repeated small errors, or larger single mistake, requiring a reasonable effort to sort out. And when we make these types of awards the impact will typically last a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation. In this case, Mr S not only had to spend time following the issue up but also experienced loss of expectation.

Putting things right

Based on everything I've said, including what I've said about our awards, I agree that an additional £100 in compensation on top of the £50 already paid is fair. I don't agree it's disproportionate. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Principality Building Society to pay Mr S an additional £100 in compensation on top of the £50 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 November 2025.

Nicolas Atkinson
Ombudsman