

The complaint

Miss A complains that Gatehouse Bank Plc failed in its duty to notify her of the incorrect profit information it had published, and denied her the ability to make an informed choice.

What happened

In March 2024, Miss A applied for a Regular Saver account with Gatehouse based on its stated interest rate of 5.30%, and that depositing £300 per month for 12 months would yield £195.50 at maturity. In November 2024, Miss A's other Regular Saver account matured. She said this account had an interest rate of 7%, but paid less than stated for her new account.

Miss A contacted Gatehouse and on 16 March 2025 was told its website information was incorrect. She was sent the Key Product Information (KPI), which gave incorrect projected profit for the account at £86.63. Miss A received £112.06 when the account matured on 21 March 2025. She complained and said had she known the correct profit figure she would not have opened the account, and she wasn't told until just before maturity.

Gatehouse apologised to Miss A for incorrect information about profit on both its website and the KPI. It said the correct sum of £112.06 had been paid and as this was higher than that quoted, she hadn't suffered a loss. Gatehouse also apologised for poor customer service in not locating her complaint email and its delayed response and offered £130 compensation.

Miss A said the amount paid at maturity may have exceeded the amount in the KPI, but she had suffered a financial loss, as she had lost £83.44 of expected profit. She said the compensation offer of £130 for poor service doesn't address this loss and she seeks reimbursement of the £83.44 difference. Miss A referred her complaint to our service.

Our investigator said Gatehouse made mistakes but resolved the complaint fairly. He said Miss A's first enquiry wasn't picked up and she had to chase, and then Gatehouse gave her incorrect information. Gatehouse corrected this in its final response and Miss A received the correct profit. He said Gatehouse's compensation comprises £100 for the incorrect profit figure, which is more than the £83.44 difference, and £30 for its poor service.

Miss A disagreed with the investigator that of the £130 compensation, £100 was to cover the loss of profit, as Gatehouse's final response said she didn't suffer any financial loss.

The investigator said no other account would have given Miss A the return incorrectly offered by Gatehouse, and the compensation exceeds her perceived loss of £83.44. He said the service issues were a nuisance, but limited in impact, and covered within the compensation. Miss A said it's unclear how the investigator concluded that the impact was limited or that the inconvenience has been fully addressed by the offer made. She said the significant delay by Gatehouse in informing her of the correct rate affected her ability to stop funding the account and so removed that choice. She said it hadn't been clear that £195.50 was incorrect as she had no reason to doubt Gatehouse. Miss A requested an ombudsman review her complaint.

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 appreciate how strongly Miss A feels about her complaint. Our rules require me to determine a complaint by considering all of the evidence from both parties in order to decide what's fair in all the circumstances. In doing so I was sorry to learn that what should have been a predictable return from a savings account has turned into a disappointing and prolonged experience for Miss A.

What's not in question is whether Gatehouse made mistakes. They acknowledged that they should have been clearer in their communication of the expected profit from the account displayed on their website and the information on the KPI. And, that they were responsible for delays in responding to Miss A's complaint.

I'm glad to see that Gatehouse has apologised to Miss A for those errors. It has paid Miss A the correct profit for an account bearing interest at 5.3%, but I don't think Miss A would have seen its contrary information as an obvious mistake. I hope Gatehouse sees this complaint as an opportunity to review the accuracy of the information it provides about profit returns on its website and elsewhere.

Miss A remains dissatisfied with Gatehouse's offer of £130 compensation. She says this is in respect of the initial misinformation and Gatehouse's handling of the matter. Gatehouse explained to us that the offer comprises £100 for Miss A's loss of expectation on profit and £30 for its delayed response to her complaint.

Miss A has said her loss of expectation of profit is £83.44. And so I think Gatehouse's offer of £100 addresses this fairly. I have considered the service Miss A received from Gatehouse.

It took Gatehouse from Miss A's email query of 4 February 2025 until 13 March 2025 to respond with the information she requested. The delay was due to it firstly advising her it hadn't received her email, and then further misinformation.

This was poor service, as acknowledged by Gatehouse, but I should explain that a business is usually allowed eight weeks to respond to a complaint. And Gatehouse's response was within this timescale. I haven't seen reasons to conclude that the delay was so long that Miss A was materially inconvenienced as a result.

Miss A said the greater impact was from the significant delay by Gatehouse in informing her of the correct profit rate, as this removed her option to stop funding the account. Our investigator has explained that our service will not automatically require a business to honour incorrectly stated returns for an account, rather we will consider what is fair between the parties. To do this, we seek to put the customer back in the position they would have been in had the mistake not occurred.

I haven't found an account that betters the rate of return than Miss A received from Gatehouse on similar terms, albeit this was less than she anticipated. And so, although I can see there was significant delay in Gatehouse telling Miss A about the correct return on her account, I don't think it would be fair to require Gatehouse to pay her the incorrectly stated return of £195.50.

Compensation awards need to be fair and reasonable to both parties and this means proportionate to the loss or inconvenience suffered. In Miss A's case the offer of £130 exceeds the loss of interest from the misinformation Gatehouse provided. I think it is also fair to cover its poor service and the inconvenience caused to Miss A.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Miss A will be disappointed by this outcome though I hope she appreciates the reasons it has been reached.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 10 November 2025.

Andrew Fraser
Ombudsman