

The complaint

Ms C's complaint relates to a cash ISA she had with Yorkshire Building Society. Ms C is unhappy that the interest earned on the ISA was not paid into her account with another bank in April 2024 and 2025, as it should have been. She does not believe the £500 compensation that she's been offered is enough, given how long she was deprived of access to the money.

What happened

Ms C opened an ISA in April 2023, on which interest was paid annually each April. A few days after opening the account she asked that the interest be paid into an account with another bank.

Yorkshire Building Society made a mistake and the interest payments made in April 2024 and 2025 were misdirected and sent to an account that didn't belong to Ms C. When it was alerted to the error in April 2025, Yorkshire Building Society paid Ms C the missing interest payments, plus interest that she would have earned on the money, and a sum for her having been deprived of the money. In addition, it offered Ms C £500 for the upset and inconvenience she had suffered because of its mistake.

Ms C was not satisfied with the compensation offer and asked us to consider whether it was fair in the circumstances. She didn't think it was, given there had been a delay of more than a year in her receiving the April 2024 interest payment. One of our Investigators considered the complaint, but she didn't recommend it be upheld. She considered the offer was fair and reasonable in the circumstances.

Ms C didn't accept the Investigator's conclusions. She remained unhappy that the mistake had happened and said that she thought there should have been checks and protocols in place that would have stopped it happening. Ms C asked that the complaint be referred to an Ombudsman.

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.

Yorkshire Building Society has compensated Ms C for the financial loss its error caused her, and the dispute relates only to the amount of compensation it has offered. Ms C has said that she doesn't consider the compensation amount is enough because of the amount of time she was deprived of her money.

Assessing fair compensation for people's time, trouble and upset is not an exact science; everyone perceives things, and reacts to them, differently. One person's minor annoyance is another's significant and stress-inducing inconvenience. It's all about the individual, and their personal circumstances. That's why the guide we publish on the subject incorporates ranges rather than tariffs.

The Investigator spoke to Ms C about why it had taken her until April 2025 to raise her concerns. She explained that due to her personal circumstances, she had been focussed on other things and had not noticed the missing interest until she had wanted to gift some money to a relative. So, although Ms C was deprived of the interest from April 2024, she was not aware of that fact for most of that period. I would also comment that Yorkshire Building Society has, as part of the financial loss redress, compensated Ms C for having been deprived of the money for that period as well as interest that she would have earned if she *hadn't* been deprived of it.

I know that this will disappoint Ms C, but taking everything into consideration, I think that the £500 that Yorkshire Building Society has offered Ms C is fair and proportionate in the circumstances.

My final decision

Yorkshire Building Society has already made an offer to pay Ms C £500 to settle the complaint, and I am satisfied this offer is fair in all the circumstances. As such, my final decision is that Yorkshire Building Society should pay £500 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms C to accept or reject my decision before 24 December 2025.

Derry Baxter
Ombudsman