

The complaint

Mrs D complains that an advertisement by OakNorth Bank plc misled her into thinking that interest on her Fixed Rate Cash Individual Savings Account (ISA) would be paid monthly into her nominated account giving her additional regular monthly income.

Mrs D's complaint has been raised alongside a complaint from her husband, Mr D because they applied for individual accounts at the same time following the same research. Representations have been made by both Mr D and Mrs D.

What happened

Mr D and Mrs D saw an advertisement by OakNorth on the internet for a fixed rate cash ISA paying 4.5% and monthly interest. They wanted to generate extra monthly income and saw opening this account which paid monthly interest as the ideal way to do it. Mrs D applied for the account online and funded it with an opening deposit of £5,000 which was credited to the account on 31 March 2025.

Mr D called OakNorth on 1 May 2025 asking why no ISA interest had been paid to either his or Mrs D's nominated accounts. Mr D was told interest earned on the ISA was paid to the ISA account. Mr D then asked if the interest could be withdrawn monthly and was told a penalty would be applied if it were to be. Mr D raised a complaint for himself and Mrs D.

OakNorth sent Mr D and Mrs D a joint final response on 8 May 2025. It didn't uphold the complaint. It said the account opening declaration electronically signed by Mrs D confirmed the terms and conditions and key product information had been read and were accepted. It said these documents made clear the interest was paid monthly to the ISA. Mr D and Mrs D remained unhappy and referred their complaints to this service. They were split into two separate complaints as the accounts held are in sole names. One of our investigators considered Mrs D's concerns and issued her findings.

Our investigator didn't feel OakNorth had done anything wrong. They said Mrs D had been supplied with a copy of the key features and terms and conditions of the account which said interest was paid monthly to the ISA. They went on to say that they couldn't see where there was any potentially misleading information referring to interest being paid to the nominated account. Mrs D disagreed and asked for her complaint to be referred to an ombudsman. So, it's been passed to me to decide. Following the referral, Mr D made two further submissions, relating to both complaints, in which he refers to outside organisations and relations believing the advertisement was misleading. The question was also asked - why if the bank had no intention of paying monthly interest, it said it would?

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 that Mrs D feels very strongly about this issue and the emails she's sent to this service testify to that. So, I'm sorry to have to disappoint her by saying that I don't intend to

uphold her complaint. I'll address the issues which I believe are key in this complaint.

Firstly, I am in no doubt that interest is paid monthly on the account Mrs D took out. The terms and conditions and key features both state that interest is applied to the account on the first day of the month. So, I don't think OakNorth saying it's a monthly interest account is either wrong or misleading.

The issue though is Mrs D believes that by saying interest is paid monthly, that implies the interest will be paid to the nominated account and not to the ISA. She says the advertisement was misleading because there was no indication next to the monthly interest banner to say that terms and conditions applied or pointing to an explanatory note saying interest was paid to the ISA. Mrs D also says other providers offer alternatives as to where interest is paid to. I've considered carefully what Mrs D has said but I have reached a different conclusion.

As I've said above, interest is paid monthly. Both the terms and conditions and key features of the ISA make it clear that interest is paid monthly to the ISA. I don't think where interest is paid to is hidden, I think it's as prominent as any of the other terms and conditions. And Mrs D did sign to say that she'd read and accepted the terms and conditions of the account. Further copies of those terms and conditions and key features were sent with the opening letter which gave Mrs D the opportunity to re-read them and, if necessary, cancel the account within the 14-day cooling off period without penalty.

Having looked at the headlines for the account, I don't believe the advert is misleading. I know Mrs D and others feel differently, but I don't see that there's anything which either promises or suggests that interest can be paid to a nominated account – all that detail is contained in the terms and conditions, and I've commented on that previously.

In his final submission, Mr D (on behalf of both him and Mrs D) says other providers allow customers the choice as to where their interest is paid. That may be the case. But OakNorth isn't obliged to offer the same as other providers. It's allowed to structure its products in the way it wishes. It's then for the customer to decide which product best suits their needs. Mrs D elected to open an account with OakNorth after considering her options.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 22 October 2025.

Stephen Farmer
Ombudsman