

The complaint

Mr S complains about the service provided by Principality Building Society in relation to the maturity of a regular saver bond account.

Mr S has a representative in this complaint, however for ease I'll refer to Mr S only.

What happened

Mr S had a saver bond account with Principality that was due to mature on 26 November 2023. Principality said it issued the maturity instructions pack to Mr S by post on 9 November 2023. Mr S said he didn't receive the maturity pack.

Mr S said because he didn't receive the letter he had to give maturity instructions online. And this was problematic due to delays with receiving one-time passcodes (OTPs) which meant log in attempts failed.

Mr S said once he was able to access his account the online maturity options were confusing and badly structured and he couldn't do what he wanted to. Mr S said in the end he gave up and asked for the account to be closed, and the balance returned to him.

Mr S complained to Principality on 22 November 2023. But Principality failed to address the issues or raise a complaint at the time. It wasn't until 7 May 2024 that Principality issued a final response to Mr S. In the final response Principality acknowledged there had been delays with sending Mr S an OTP in April 2024 and awarded £100 compensation.

Principality disregarded Mr S' complaint about the saver bond and said it was a duplicate of another complaint. And it didn't uphold complaint points relating to its website undergoing maintenance and Mr S being timed out during his use of the website.

Mr S disagreed with Principality's final response and referenced several complaint points beyond those stated above, including but not limited to:

- Not engaging with the issues about the saver bond account due to incorrectly classing it as a duplicate of another complaint.
- Failing to handle complaints in relation to Financial Conduct Authority (FCA) rules.
- Getting his name and address wrong.
- Being advised by Principality to use Internet Explorer.
- The behavior of two staff members at Principality.

Principality didn't change its outcome. And Mr S remained unhappy so referred the complaint to our service. Our investigator recommended the complaint be upheld. He said Principality made several errors which impacted Mr S, and it should increase the compensation to £350 in total, meaning it needed to pay Mr S another £250.

Mr S disagreed with our investigator's findings and said the investigator had misjudged evidence or not taken it into account. Because Mr S didn't accept the investigator's outcome the complaint has been passed to an ombudsman for a final 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.

Having done so, I've reached the same overall conclusion as the investigator. I know Mr S will be disappointed as I can see how strongly he feels about what happened, so I'll explain my findings.

I will not refer or respond to every point raised on this complaint, that's not because I failed to take them on board and think about them, but because I don't think I need to comment on those points to reach what I think is a fair and reasonable outcome.

There's a great deal of correspondence on this complaint and many points have been raised. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

I think it's important to be clear about the period this complaint addresses. I'm looking at what happened from 22 November 2023 when Mr S raised his complaint, to 7 May 2024 when Principality issued its final response. A business must have the opportunity to consider any complaint before our service looks at it. So, for any issues outside this period Mr S will first need to raise his concerns to Principality.

Principality have provided evidence to show it issued the maturity instruction letter on 9 November 2023. I understand Mr S said he didn't receive it. However, I can see the correct address is on the letter. On that basis I'm satisfied it was most likely issued by Principality on 9 November 2023. And I don't hold Principality responsible for any issues that may have occurred during the delivery of the letter by a third-party.

I'm aware of Mr S' comments around Principality being responsible for any third-party delivery service. But I think once outgoing correspondence is initiated by Principality it is the responsibility of the third-party to deliver it. I'm sorry to disappoint Mr S but having read and considered everything he's told us, along with all the information provided by Principality, I haven't found any evidence that shows it failed to issue the maturity letter on 9 November 2023.

Mr S said he had difficulties using the online service to carry out the maturity instructions he wanted to. Mr S said he wanted to reinvest into another saver account by leaving the first month's payment in and withdrawing the remainder. Mr S said there was an option that claimed to allow partial withdrawal and reinvestment but didn't actually allow it.

I've spoken with Principality about its online system. Principality said this option should have been available and achievable and it isn't sure why that option couldn't be completed by Mr S. It's now two years later, and Principality said it can't show the options available online at that time due to the information being live at the time of maturity. And it said since the account has matured the information no longer exists so it wouldn't be able to provide things such as screenshots of Mr S' online journey.

So, it's unclear why Mr S couldn't carry out the instructions he wanted to. Ultimately, I've not

seen evidence to show Principality's online system wasn't fit for purpose in the way Mr S has described. In the absence of evidence to show there was a malfunction, or an issue Principality would be responsible for, I can't say it's done something wrong here. And Mr S was able to withdraw all the funds and open a new regular saver account. I understand this was the same type of account he wished to reinvest into.

I've not seen evidence to show there was a financial impact or loss of some other benefit to Mr S due to withdrawing all the funds and opening a new saver account rather than reinvesting as he had intended. But I do sympathise with Mr S and understand it will have been frustrating and inconvenient to set up standing order payments again rather than have them carry over into the next account.

Mr S says he's been experiencing issues with receiving OTPs for over two years. I've not seen evidence to show issues with OTPs during November 2023. But I have seen there were delays with OTPs on 26 April 2024. I think this will have been frustrating and inconvenient for Mr S.

I think it was wrong for Principality to initially refuse to engage with the complaint about this saver bond account. I think it's fair to say it was clearly not a duplicate of the previous issue as it related to a different account, and it was about the failure to receive the maturity letter specific to that account. This is clearly a separate issue and so it needed to be addressed.

I've not seen evidence that persuades me Principality were being dishonest with regards to considering this aspect to be a duplication. On the balance of probabilities, I think it was most likely a procedural issue or human error in determining it was a duplication.

I think it will have been frustrating for Mr S to be told Principality weren't going to engage or look further into the matter when it should have done. And if Principality had engaged with the matter when Mr S raised it in 2023, it may have been able to support him at that time.

My understanding is Mr S' point about Principality failing to handle complaints in relation to FCA rules relates to its rejection of this complaint point and the time it took them to respond to his complaints.

Principality have accepted they failed to raise a complaint after Mr S' message on 22 November 2023. So, I don't think there's a need for me to comment more than I already have here. Other than to say I think Principality were wrong to not respond to the complaint and to not directly address all the complaint points. And I think this will have been frustrating and disappointing for Mr S.

I don't think Principality have done something wrong in relation to its website being under maintenance. I think it's reasonable to say websites sometimes require maintenance to be carried out. And I think any time that's being done will be understandably frustrating when someone tries to access the website – but I think that's an unfortunate side effect of the necessity of carrying out maintenance.

I don't think there's something substantially wrong with carrying out maintenance in the evening on a working day. I understand it was only for an hour, and a banner was displayed to notify customers that maintenance was being carried out.

I've not seen evidence to persuade me that Principality did something wrong in relation to Mr S being timed out during his use of the website. Mr S said he received pop up boxes asking if he wished to continue whilst he was typing a secure message. And Principality confirmed the pop-up box appears after four minutes when a user is either inactive or typing.

I can understand it will have been frustrating for Mr S to receive those pop-ups after four minutes of typing. But I don't think Principality have done something wrong here and I think Principality is entitled to determine what it thinks is a reasonable amount of time before checking someone wishes to continue what they're doing.

I understand it's also possible to email and send a letter to Principality so secure messaging via the website isn't the only option for communication.

Mr S said he had difficulties logging into his account in the early hours of 25 April 2024. Principality said its IT department conducted a full investigation and couldn't find evidence of any website or network issue during this time.

It's very difficult for our service to say what happened during that time. I can understand this will have been frustrating and inconvenient for Mr S. But I've not seen evidence to show Principality have done something wrong here or made an error.

I note Mr S' comments about having little faith in Principality's IT department given its advice to try Internet Explorer despite Microsoft having retired it in 2022. I can understand Mr S' concerns with being advised to use an obsolete application. But that doesn't mean I can discount what the IT department have said about not finding any issues with the website on 25 April 2024.

I can see Principality used the wrong initial for Mr S in correspondence issued on 29 April 2024. And it appears Principality added another name in error on at least one correspondence I've seen. I think this will have caused distress and upset to Mr S. Though I've not seen evidence that persuades me it was anything more than an error. I can see Principality have apologised for this and I think that was the right thing to do.

Mr S said Principality have also used the wrong address on letters which has led to correspondence going to the wrong place. Mr S sent us examples of correspondence, but they all had the correct address on them from what I can see. So, I've not seen evidence that shows Principality got Mr S' address wrong or failed to include details such as the postcode on its letters.

I can see at different times Mr S has referenced issues with the behaviour of at least two people who worked for Principality. Principality has said it can see Mr S indicated concerns with members of staff. But Principality says it can't trace complaints detailing specific issues with those staff members.

It's unclear whether Mr S has directly and specifically complained about them to Principality. Ultimately, a business is entitled to consider any complaint prior to our service. And Principality have said if Mr S raises a complaint about the staff members it will review and investigate the matter further.

So, Mr S can make a complaint to Principality about its staff members and if Principality can't resolve the matter, Mr S may seek to refer that complaint to our service.

Mr S raised concerns about the method of communication used by Principality to contact him particularly in light of the note on his profile regarding his health conditions. Principality said it can't trace outgoing calls to Mr S, but it can see Mr S has called Principality. Yet Mr S says Principality has called him. However, I've not seen evidence to show Principality called Mr S.

I understand Principality has a note on its file stating not to call Mr S. And Principality have offered to amend the note if Mr S wishes them to. Principality said it hasn't heard back from Mr S about this. If Mr S wishes to, he may contact Principality to confirm if any amendments

should be made to the note on his profile and to confirm his communication preferences.

In summary, I think Principality have made errors and caused Mr S distress, frustration and inconvenience. Principality mistakenly decided Mr S' complaint about the maturity of his regular saver account was a duplication of a previous complaint. This meant it didn't deal with Mr S' issues in a timely manner which caused him frustration. I think Mr S was also caused distress and inconvenience due to the issues with OTPs and getting his name wrong in some correspondence.

These are the main points where I think Principality made errors during the period this complaint addresses for which compensation should be paid to reflect the impact on Mr S.

I think an award of £350 is appropriate where a customer has experienced considerable distress, upset and significant inconvenience that requires a lot of extra effort to sort out. I think this reasonably reflects the circumstances of this complaint and the impact on Mr S, so I find that £350 is fair compensation and in line with our guidance.

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 Mr S will be very disappointed by this outcome though I hope he appreciates the reasons why I consider this to be a fair and reasonable outcome. By rejecting this decision all options remain open to Mr S.

My final decision

I uphold this complaint.

I require Principality Building Society to pay Mr S £350 compensation (which I understand it has already paid) for the distress and inconvenience its poor service caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 January 2026.

Gordon Candlish
Ombudsman