

The complaint

Mr G complains that Atom Bank PLC didn't give him notice about the rate change on his savings account in good time. He says that as a result of how the terms of his account work and the timing of Atom's notification of the rate change – he will experience an inevitable loss of interest.

What happened

Mr G has an Instant Saver Reward account with Atom. As per the terms and conditions of the account:

“The Instant Saver Reward has two interest rates, which are both variable:

- *Reward rate — the interest rate you'll receive if you don't make any withdrawals in the monthly interest period.*
- *Withdrawal rate — the interest rate you'll receive if you make one or more withdrawals in the monthly interest period, or you close your account.”*

With regards to changes to the interest rate, the terms and conditions go on to say:

“Your Instant Saver Reward has variable interest rates. This means the Reward rate and/or Withdrawal rate may change from time to time, for any of the following reasons:

- *if the underlying rate changes;*
- *where a change is needed to maintain our financial strength in the interests of all our customers; or*
- *if there are significant changes in the economic environment, and changing variable rates is necessary to address the risks to our business that arise as a result.*

When a variable rate changes, it will affect the interest you earn. If your rate is going up, we'll make the change as soon as possible and let you know once we've done it. If your rate is going down, we'll give you at least 14 days' notice and confirm the impact of the change on the interest you'll earn.”

On 8 August, Atom wrote to Mr G to say:

“On 7th August, the Bank of England decided to reduce its base rate by 0.25% from 4.25% to 4.00%.

Following this base rate change, we've decided to lower the rates on your Instant Saver Reward on 22nd August. We understand a change to your savings rates can be disappointing. However, we sometimes need to make adjustments to our rates in response to changes to the economic environment like this one.”

Atom said it was changing the Reward rate from 4.60% to 4.00% and the Withdrawal rate from 2.50% to 2.00%.

Unhappy with this Mr G complained to Atom. He said that despite being given 14 days' notice, there is no way for him to avoid experiencing a reduction of interest to either 4.00% or 2.00%. He didn't think that Atom had complied with BCOBS 4.1 which says:

“A firm must provide or make available to a banking customer appropriate information about a retail banking service and any deposit made in relation to that retail banking service:

(1) in good time....

so that the banking customer can make decisions on an informed basis.”

Atom didn't uphold the complaint. It said that it had altered the interest rate fairly and in line with the account terms and conditions.

Unhappy, Mr G came to our Service where an investigator looked into things and didn't uphold the complaint. Mr G disagreed and asked for his case to be decided by 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.

I've given careful consideration to all the submissions made by both parties, but I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach a fair outcome – in keeping with the informal nature of our Service.

The starting point here is to consider what the terms and conditions say about how Atom, can alter the interest rate, in what circumstances and the notice period that applies. Having done all that, I'm satisfied that Atom has altered the interest rate in line with the terms and conditions that apply to Mr G's account.

The terms and conditions say that Atom can change the interest rate on Mr G's account to reflect changes in the economic environment – which is what happened here. In this case to reflect changes to the Bank of England base rate. Albeit whilst the account comes with a variable interest rate, it's important to note that there is nothing written in the terms and conditions that says the interest rate will directly track the bank of England base rate. So, this means that the interest rate may not always go up or down by the same amount as changes to the Bank of England base rate. And in line with the terms and conditions Atom gave Mr G 14 days' notice prior to the rate change taking effect. So, when considering everything I can't reasonably say that Atom has acted unfairly by altering the interest rate in the way that it did, in line with the terms and conditions that Mr G agreed to when he signed up to the account.

Mr G says that given the way the account works and taking into consideration his personal circumstances, Atom hasn't complied with BCOBS 4.1 which requires that it give customers information about their account in good time. I'm afraid I don't agree. BCOBS doesn't specify what it considers to be 'good time'. I consider 14 days to be a reasonable notice period.

Atom has no control over when changes to the Bank of England base rate happen. The base

rate review takes place on different dates in any given month. It just so happens that the base rate review in question here occurred early on in the month on 7 August – and so this meant that the earliest Mr G could make a withdrawal from his account without incurring the Withdrawal rate (backdated to the start of August) would be 1 September. But that meant he'd be subject to the new lower Reward rate from 22 August – 31 August. I do understand Mr G's point, but this is the nature of the account that he signed up to.

I appreciate this will come as a disappointment to Mr G but for the reasons I've given, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold Mr G's complaint against Atom Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 January 2026.

Arazu Eid
Ombudsman