

The complaint

Mr B complains that Atom Bank PLC didn't apply the correct interest rate when he closed his Instant Saver Reward account.

What happened

The details of this complaint are well known to both parties, so I won't repeat it all here. Instead, I'll provide a summary and focus on the reasons for my decision.

Mr B is unhappy because Atom applied a withdrawal interest rate to his account balance when he closed his Instant Saver Reward account (the account) rather than a reward interest rate. As a result, he feels he has lost interest on his savings.

Our Investigator didn't uphold Mr B's complaint. He said Atom had applied the correct interest rate in line with the account terms and conditions of the account.

Mr B disagreed saying the terms and conditions are unreasonable. And he asked for the complaint to be escalated, so it's been passed to me to decide.

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, while I recognise this will come as a disappointment to Mr B, I have decided not to uphold complaint for broadly the same reasons as the Investigator.

When Mr B opened the account, he was entering into a financial contract with Atom. In doing so, he would have voluntarily agreed to the terms of the conditions of the account which would have meant acknowledging and reading important information about the account that Atom made available.

I've reviewed the account terms and conditions, and I find these clearly set out that the account offers two interest rates. An enhanced 'reward' interest rate is paid when no withdrawals are made during a monthly interest period. And a lower 'withdrawal' interest rate which is paid when a withdrawal is made in a monthly interest period.

In respect of the 'withdrawal' interest rate the terms and conditions say:

'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'.

The terms and conditions go on to say, under the heading '*Closing an Instant Saver Reward*':

'Your Instant Saver Reward does not have an end date, so you can close your account at any time. If you close your account and you are on the Reward rate, you will receive the Withdrawal rate on your balance for the monthly interest period that you are in'.

Mr B has said the terms and conditions are unreasonable. But, as mentioned above, the terms and conditions form the basis of a financial contract, and our service cannot influence them as we are a complaint resolution service not the regulator.

As far as the Instant Saver Reward account goes, I'm satisfied the terms and conditions are sufficiently clear in that the withdrawal interest rate will be applied during the monthly interest period the account is closed.

So, as it's not in dispute that Mr B closed his account, I don't find Atom acted wrongly or unfairly in applying the lower 'withdrawal' interest rate to Mr B's account balance.

I've seen that Mr B has questioned whether Atom followed the correct complaints procedure as he says he wasn't given a complaint reference number until after he asked for it. While answering customer complaints is something businesses are required to do, it's not a regulated activity. So, not an activity covered by this service. But, in any event, Mr B hasn't been prevented from referring his complaint to this service for independent review because of not initially being given a reference number for his complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2025.

Sandra Greene
Ombudsman