

## **The complaint**

Mr M complains Leeds Building Society (LBS) miscalculated the interest on his savings account. Mr M said this was a breach of trust he placed in LBS, explaining it failed to detect the error for a period of time and wasn't transparent about what had occurred.

## **What happened**

Mr M received a letter from LBS explaining it had underpaid interest on an account he had held with it and closed. The letter enclosed a cheque for £1 and explained this amount also included additional interest on the underpaid amount of interest.

Mr M complained to LBS asking for an explanation of how the mistake occurred, confirmation no further errors had been made and for compensation for the inconvenience caused.

Mr M explained the impact this had on him, explaining he thought there had been a significant breach of trust and described this as a serious failure relating to the integrity of LBS's banking system. Mr M has also said he thought £250 compensation more accurately reflected the impact he had suffered.

LBS wrote a final response letter to Mr M in April 2025. LBS explained it had recently discovered its system hadn't calculated interest correctly for 2024 during the '*leap year*'. LBS explained, even though Mr M's account closed in 2023, it was still affected by this system issue and interest was miscalculated by one day.

LBS explained it had calculated the interest it should have paid and the compound interest Mr M would have accrued and rounded this up to £1. LBS apologised for the error, and paid Mr M £75 for the distress and inconvenience.

Our investigator didn't think LBS needed to take any further action. They empathised with Mr M about the impact this had had on him and said they thought LBS's initial letter could have contained more detail on what had happened, but thought the payment LBS had made was fair and reasonable to recognise the issues and apologise.

As Mr M rejected our investigator's recommendation his complaint has been passed to me to make 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.

I appreciate how strongly Mr M feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Before I explain my thoughts on Mr M's complaint, I think it will be helpful if I set out our service's approach and the circumstances in which we ask businesses to award compensation.

Whilst I understand Mr M's point that financial companies should be '*100% robust*', in practise this is not the case. Unfortunately mistakes and errors can and do occur for a variety of reasons. Where our service finds a business has made a mistake or provided poor service, we seek to put the customer back in the position they would have been in had the issues not occurred.

Our service doesn't have the powers to punish or fine companies or change businesses process or procedures, we can only consider whether the customer was treated fairly and reasonably in the circumstances of the case in hand. We consider what happened, the impact that had on the consumer and what resolves the issues fairly and reasonably for all parties considering all the circumstances.

It appears LBS recognised it had made a mistake and sought to put this right. It wrote to Mr M, apologised and included a cheque for the underpayment. This is in line with what our service would expect.

I can see why Mr M feels this is a breach of trust, but I would also suggest the action taken by LBS could indeed be seen as reassuring. I say this because LBS sought to put this right, even for such a nominal amount of interest and even though the account had closed in 2023.

When Mr M complained, LBS explained what had occurred in more detail and increased compensation to £75 after initially offering £30. Again, this is in line with what our service would expect.

I think the comments made by our investigator in their recommendation, that LBS could have explained in more detail why the underpayment had occurred in its first letter, is a fair observation, which I agree with. It is unfortunate Mr M had to make further enquiries to understand why the error occurred, and I accept this likely caused some inconvenience. However, I am satisfied the final response gave sufficient information for Mr M to reasonably understand what had occurred, taking into account the issue at hand.

Having considered the compensation paid and the points Mr M has made about the impact on him, I am persuaded the compensation already paid is fair and reasonable. This was a singular small error, which was effectively rectified as soon as Mr M became aware of it. I therefore don't require LBS to take any further action

I appreciate Mr M has explained the impact this had on him because of his personal circumstances, and I was sorry to read about these issues. I trust I have explained in sufficient detail why I am satisfied the action taken by LBS is what our service would have expected in the circumstances.

### **My final decision**

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2025.

Gareth Jones  
**Ombudsman**