

## The complaint

Ms C complains that her savings account with the Bank of Scotland plc trading as Halifax didn't earn interest at the rate she expected. She also complains that her savings account was changed to a Web Saver Variable, without her knowledge and consent.

## What happened

A summary is below.

Ms C opened a Bonus Saver account with Halifax in 2012, depositing a large sum of money. The account was changed to a Web Saver Variable in 2015, before Ms C switched it to a Bonus Saver account in October 2024, as she'd realised, she could have got a better rate of interest.

Ms C didn't think Halifax had given her a competitive rate on her savings. She complained about this and said she wouldn't have purposely changed her account in 2015 to an account that paid a lower rate of interest. She believed this must have happened without her involvement and expressed concerns that the bank hadn't responded to messages.

Halifax paid Ms C £50 for the poor service, but it didn't think it had made a mistake in relation to the interest rate she'd received, submitting it had contacted her over the years about any rate changes and her options. It said her account had remained a Web Saver Variable, because it hadn't heard from her, and she'd received the rate that applied. Halifax insisted it was Ms C's responsibility to ensure that the account was right for her and refused to pay the additional interest she felt was due. Ms C brought her complaint to our service.

One of our investigators investigated but didn't uphold the complaint. They said they'd considered relevant regulations and duties that applied and found the bank had provided all the information that was expected on Ms C's interest rate, including what account she held. So, if she hadn't requested the Web Saver Variable, they'd have expected her to have queried this sometime before. On balance, they were satisfied the account was switched following Ms C's instruction.

Ms C didn't accept the investigator's outcome and asked for her case to be reviewed by an ombudsman. She said, in summary:

- Halifax had been unable to provide any documentary evidence showing when, how, or who had requested an account change. So, it was wrong to assume that she must have given her consent and accepted the account terms.
- She expected Halifax as a large institution to maintain proper archived records of customer accounts and related activity. The apparent absence of these records was, in her view, a significant issue and should not be used to effectively disregard or minimise events.
- Simply making information available online about her account, without ensuring it had been effectively received or understood, did not meet the standard of fair treatment.
- For many years her savings earned woefully low interest, despite significant changes in the wider interest rate environment. Whilst she accepted that firms were not

required to track the Bank of England Base Rate, the sustained nature of these rates over such a long period, combined with her lack of awareness of the situation, was central to her complaint. This hadn't been given sufficient weight.

- In relation to the application of the Consumer duty by the Financial Conduct Authority, she said Halifax had only provided a limited and generic explanation of how it assessed fair value in her specific case. Despite this, the investigator had concluded there was sufficient evidence to determine the outcome. However, without sight of a meaningful fair value assessment, she disagreed a proper conclusion could have been fairly reached.
- Her complaint was not solely about interest rates. It concerned the cumulative impact of poor communication, lack of transparency, prolonged low returns on significant savings, and the distress and financial consequences that followed when these issues eventually came to light.

### **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.

### Notes

I've taken into account relevant law and regulations, regulators' rules, guidance and standards and codes of practice, and (where appropriate), what I consider to have been good industry practice at the relevant time.

Where necessary, I've also made my decision on the balance of probabilities – in other words, what I think is more likely than not to have happened given the available evidence and the wider circumstances.

I've read Ms C's submissions regarding her analysis of the complaint, and I hope the fact that I do not respond in a similar manner will not be taken as a discourtesy. 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 concentrate on what I consider to be the crux of the issue.

While I appreciate the detailed explanation Ms C has provided of her position, I find that it offers no persuasive reason for me to reach a different set of conclusions from those of the investigator. Though considering some of Ms C's comments, I will make the following points.

- Ms C has an expectation that Halifax should have all the documentation relating to accounts that she's held, but financial businesses aren't obliged to keep records indefinitely and certainly not after their purpose has been fulfilled. Some of the records mentioned here date back over ten years, and so it's unsurprising Halifax no longer has these. Consequently, the absence of documents in these circumstances, doesn't automatically constitute an error or other wrongdoing.
- A key aspect of Ms C's complaint is that she refutes opening the Web Saver Variable account, due to the interest rate it paid. This is the account she held for the longest period. I've thought about what she's said, but I think it's highly unlikely that Halifax would have arbitrarily opened the account without a valid instruction from her. And I think it's even more unlikely that if this wasn't an account opened on her request, that Ms C wouldn't have raised concerns about this long before her current complaint, particularly noting the information Halifax sent to her, naming the account and the significant period over which it was held. Considering these points, I think it's more likely than not that Ms C opened the account and has perhaps forgotten.

- Ms C's complaint straddles the periods pre-and post-Consumer Duty and the investigator provided a detailed analysis in her outcome letter of what we'd need to have regard for in deciding whether the bank treated her unfairly in the interest it paid. I've looked at this afresh, and whilst I recognise the strength of feeling behind Ms C's complaint and the principle at its heart, the rules and regulations that applied at the relevant times, don't support the outcome that she's seeking.
- Ultimately, businesses are free to set the terms and criteria for the accounts they offer. This includes the interest rates it's willing to pay on those and who it offers them to. It's their business decision whether to increase or decrease the rate of interest on its accounts, provided they do so fairly. My consideration of this complaint revolves around whether I think Halifax offered Ms C savings accounts in a way I consider to be fair – that it gave her the information she needed at the right time, presented in a way she could understand.
- Looking at the information Halifax has available; I'm satisfied that it paid interest in line with the account terms and in accordance with what the rules and regulations expected. The Web Saver had a variable rate of interest but there's no stipulation that this would track the Bank of England Base Rate. If it did, I'd expect to see the terms explicitly say so, but they don't. There's nothing to suggest Ms C ought to have received something else.
- After the introduction of the Consumer Duty on 31 July 2023, firms are required to demonstrate that their products provide fair value. However, the FCA was clear that it isn't the intention of the Consumer Duty to set prices, and it clarified that its rules do not have this effect. Nor do these rules have the effect that Halifax should have paid Bank of England the best rate for the product, or the same rate as other firms. I note that after the introduction of the Consumer Duty, the rate on Ms C's account was consistently above 1% which means it wasn't an outlier in the market<sup>1</sup>, in the sense of providing a particularly low rate.

So while I see Ms C's concerns around the rate she received, I'm not persuaded this was so low that it raises concerns about whether the account provided fair value or not (although I realise Ms C will see it very differently). The rate certainly wasn't the highest being offered in the market, but not was it the lowest. This being the case I don't think I need to see any further information to show how Halifax assessed this product as providing fair value, as I can't see that it would affect the outcome I've reached here. It's disappointing that Halifax chose not to respond in the detail we requested, but in considering all the information I have been provided, I'm satisfied Halifax has acted fairly in respect of the interest it applied to Ms C's account.

- I've also looked carefully at the comms Halifax sent about the account to Ms C over the years. Ms C says this wasn't enough to ensure she'd received and understood them. But I don't share her view. Looking at the documents, I'm satisfied Halifax met the appropriate information needs, including the interest rate it was paying on her savings. The information was made available to her, and the onus was on her to read and understand the rate she was receiving. The bank taking these steps gave her the opportunity to review her product and assess whether it was best value for her. And, if she had any questions, she could seek further information.

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<sup>1</sup> FCA, Cash Savings Market Review 2023, July 2023, <https://www.fca.org.uk/publication/multi-firm-reviews/cash-savings-market-review-2023.pdf> - "We expect to see a reduction in the proportion of easy access accounts paying the lowest rates of interest, in particular accounts currently paying 1% or less"

In such circumstances, I can't see any basis on which I could conclude that Halifax acted unfairly on the interest rate. I've observed Halifax paid Ms C £50 for poor service in not responding to her. I think that was a reasonable response. It follows that I won't be asking Halifax to do any more. Ms C has mentioned court, and this may be her best option if she remains unhappy with Halifax's actions. But for completeness, my decision marks the end of our review.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 21 May 2026.

Sarita Taylor  
**Ombudsman**