

The complaint

Mr H complains an error on Nationwide Building Society's part meant he received the maturity proceeds of a junior ISA 10 years later than he should have done, and that it also made errors in the course of resolving the issue with his ISA causing significant distress and inconvenience.

What happened

Mr H discovered in 2025 that he should have received the proceeds of a junior ISA in 2015 but didn't do so because of an error Nationwide admits it made. He complained to Nationwide and it also accepts that it didn't resolve the issue as quickly or as easily as it should have. So Nationwide offered him £200 in compensation. Mr H wasn't happy with Nationwide's response and so complained to our service. He said that during that time he was a "regular and committed investor" and his portfolio grew by just over 50% and that this rate should be applied to the funds he was deprived of. He said he also wanted £500 in compensation for all the distress and inconvenience he'd been caused.

One of our investigators looked into Mr H's complaint and recommended that Nationwide pay him the interest rate applicable prior to his junior ISA maturing from the date of maturity to the date he received his funds less any interest already accrued since maturity. In addition, they recommended £250 in compensation.

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.

Earlier on this month I issued a provisional decision upholding this complaint saying that I was minded to award Mr H £400 in compensation and to award him 8% per annum simple interest from the date of maturity to the date he received his funds less any interest already accrued during that period. In relation to the interest award I said:

"Mr H has suggested that Nationwide pay him a rate based on his return as a "regular and committed investor" over the equivalent period or our 8% simple interest approach instead of the interest our investigator recommended. In this particular case, given that I'm satisfied Mr H would more likely than not have invested his ISA proceeds had he received them earlier, I'm far more minded to award him 8% per annum simple interest as that's the rate we typically award when someone is deprived of their funds to reflect investment opportunities etc they may have missed out on."

Both parties were invited to comment on my provisional decision. Mr H accepted it. Nationwide didn't reply.

Having considered everything again, I remain of the view that the award I said I was minded to make is a fair one. That's, therefore, the award I'm going to make.

Putting things right

I'm going to require Nationwide Building Society to pay Mr H 8% simple per annum interest on the funds that everyone accepts he was wrongfully deprived of from 25 May 2015 until 12 August 2025 less any interest already accrued during that period. In addition, I'm going to require Nationwide Building Society to pay Mr H £400 in compensation.

My final decision

My final decision is that I'm upholding this complaint and require Nationwide Building Society to take the steps set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 March 2026.

Nicolas Atkinson
Ombudsman