

complaint

Mrs H complains that when her fixed term savings account matured, Tandem Bank Limited failed to follow her instructions to reinvest the funds. She'd like to be compensated for the distress and inconvenience.

background

Mr H is bringing this complaint on behalf of his wife but for clarity, I've referred to Mrs H in this decision.

Mrs H had a fixed term savings account with Tandem that was due to mature on 8 May 2018. On 27 April she completed and returned an instruction mandate saying she wanted to reinvest the funds in a new bond. But she says when she called in on 17 May to ask why she'd heard nothing further about her new investment, she found Tandem hadn't followed her instructions so the money hadn't been reinvested,

Mrs H says she didn't know where her money was for several days, which caused her a lot of worry. She feels Tandem should compensate her for this. And she says it's not clear when Tandem would have contacted her if she hadn't called in or explained why it happened.

She says Tandem's credited her with the interest she would have earned if the new bond had been opened on 8 May as planned, but she doesn't feel this is enough as it's what she should have had anyway if her instructions had been followed. And for that reason, she's unhappy it's been described by Tandem as a goodwill gesture.

Tandem acknowledged it made a mistake in processing the new mandate and this had caused a short delay in setting up the new bond. But it says it had identified the problem before Mrs H called which is why it was able to resolve the problem that same day. It says it couldn't change the date the bond had been set up but it had calculated the interest Mrs H would have had if it had been set up as planned and paid this, totalling £31.07, into her account. It felt this was reasonable.

Our investigator said he could look at the way Tandem had dealt with Mrs H's instructions but not the way it had dealt with her complaint as that wasn't a regulated activity. However he'd gone on to consider whether the steps taken by Tandem to put matter right had been fair. Having done so he could see Tandem had made a mistake in setting up the new bond but as soon as it realised there'd been a problem it had taken steps to put matters right and credited Mrs H with the interest she would have had if it had been set up on the correct date. He felt this was reasonable and that overall Tandem had dealt with the complaint fairly so he wouldn't be asking it to do anything more.

Mrs H disagreed and said this didn't take into account the worry and concern she'd had when she hadn't known what had happened to her funds. She asked for her complaint to be referred to an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Tandem has agreed it made a mistake in processing Mr H's mandate so I won't look at that in detail but whether the steps it took to put matters right were reasonable.

I can understand why Mrs H was unhappy to find there'd been a delay in reinvesting her funds. But the reinvestment was being done by Tandem, the same bank that was already holding her funds, so I don't think there was any reason to think the money had gone missing. And I've seen that when Mrs H called on the 17 September, Tandem was able to confirm to her that same day that her funds had now been reinvested as she'd asked and that it had credited her account with the interest she would have had if this had been done on the 8 September as intended.

I appreciate Mrs H feels Tandem was wrong to call this "additional" interest a "goodwill gesture". To some extent I'd agree as this was money that she would have had if the reinvestment had been done on the date agreed. But as Tandem's explained because this related to a time before the new bond was set up, that's how its system has to record this payment. I can't ask Tandem to change its systems but I'm satisfied the key point is that Mrs H hasn't suffered any loss as a result of the delay.

I can see Mrs H feels Tandem hasn't acknowledged the impact this had on her. Clearly the mistake shouldn't have happened but my role is to consider what's fair and reasonable in all the circumstances of the complaint. In this case the matter was put right on the same day and Tandem's ensured there's been no loss of interest. I realise Mrs H may not agree but in the circumstances I think Tandem's dealt with this reasonably and fairly and I won't be asking it to do anything more.

my final decision

My final decision is that I do not uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 6 April 2019.

Cerys Jones
ombudsman