

complaint

Mrs D complains that Bank of Scotland plc (trading as BM Savings) didn't tell her when her bond was about to mature and it failed to register her to receive gross interest.

background

Mrs D's bond matured in 2013. But she didn't receive notice from BM Savings that the bond was about to mature. On maturity, it was transferred to an account with a nominal interest rate. Because Mrs D didn't realise the bond was maturing, there was a delay before she reinvested the money, and she lost out on interest she could have earned.

Mrs D also complained to BM Savings that it hadn't paid her interest gross. As a result, she has the inconvenience of having to approach HM Revenue and Customs for a refund.

The adjudicator didn't recommend that the complaint should be upheld. He was satisfied that BM Savings had sent Mrs D information about the bond's maturity. And it wasn't its policy to register savers for gross interest. So he didn't think BM Savings had made a mistake.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusion as the adjudicator, and for similar reasons.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here) I reach my decision on the balance of probabilities – that is what I consider is most likely to have happened, given the evidence that is available and the wider circumstances. Mrs D says she didn't receive BM Savings' information about the bond maturing. But having seen BM Savings' internal records, I'm satisfied, on balance, that it sent the information to her. It's unfortunate that she didn't receive it, and I can understand her frustration. But I can't fairly hold BM Savings responsible for any problems with the postal system.

BM Savings has explained that it has been its policy not to pay non UK residents gross interest for many years. This is because of the complexities involved in administering such accounts. Since Mrs D is not a UK resident, in line with its policy it isn't willing to pay her interest gross. It's explained that if she isn't liable to pay tax on interest, she should contact HM Revenue and Customs.

Mrs D has provided a copy of a letter from BM Savings which suggested that registration to receive tax gross could be rolled forward from a previous account. But BM Savings has confirmed that Mrs D hasn't been registered to receive tax gross on any previous bond she's held with it. And since she lives abroad, it would be against its policy to pay her interest gross in any event.

BM Savings is entitled to decide its policies about whether to pay gross interest to non UK residents, and I can't interfere with its decision.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs D to accept or reject my decision before 26 March 2015.

Juliet Collins
ombudsman