

complaint

Mr S complains that Yorkshire Building Society (YBS) misled him by failing to say that he wouldn't receive any interest on his employer's Share save account.

background

Mr S is unhappy that YBS failed to tell him that no interest was payable to a leaver from his former employer's Save As You Earn (SAYE) Share Option scheme. He believes that YBS is suppressing this information so that customers will leave their monies with them until maturity, with no interest to be added.

The adjudicator didn't recommend that this complaint should be upheld. She didn't think that YBS had made a mistake because some SAYE plans did attract interest and, in any case, the money could be returned.

Mr S maintained that the maturity letter didn't point out that it was detrimental to continue to save with YBS because no interest was payable. YBS should have different letters for different schemes.

my findings

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

After Mr S left his employment he received a letter about the options he had under the Share save account he had with YBS. This said that he could continue to save under the existing savings contract and, when complete, receive a tax-free bonus *if applicable*; or close the account and have the money returned; or transfer the savings to another YBS account. Mr S considers that the letter was misleading because there was no benefit to continuing to save as no interest or tax-free bonus was payable. He accepts that this may be an option but says it is the wrong for most people because only the business benefits if it is selected. YBS should treat its customers fairly by issuing a different letter to those that could receive a bonus and automatically refund the money to the others.

As well as receiving the letter setting out the various options, Mr S also had a copy of the terms of the Share Option scheme. I am satisfied that these are clear. No tax-free bonus is paid on a three year contract. For a five year contract the tax free bonus works out at an Annual Equivalent Rate of 0.39%. If an employee leaves for any reason, other than those specified in the terms, then the right to exercise the share option is lost. In this case, the scheme states that savings will be refunded upon request.

I accept that for Mr S he wouldn't receive any interest if he had chosen to continue to save with the YBS under the plan. I appreciate he thinks that the savings should be automatically refunded. But I consider that the terms and the YBS letter are both clear and set out the available options. It is up to individuals to decide what they wish to do, depending on their own personal financial circumstances.

Mr S contacted YBS within a few days of receiving the letter when he found out that he wouldn't receive a bonus if he continued the SAYE plan. He needed to contact the society in any event to arrange for the savings to be returned to him. I am not persuaded that he has been caused any inconvenience because of this.

Mr S suggests that YBS should change its processes. For the avoidance of doubt, I am not a regulator and so I cannot require the bank to change its overall policies or systems. My remit is, instead, limited just to considering Mr S's individual complaint on its own merits.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 November 2015.

Karen Wharton
ombudsman