

## **complaint**

Mr K complains that National Westminster Bank Plc misled him about the terms of an ISA.

## **background**

It is agreed that when discussing whether to switch his ISA account from a third party bank, Mr K was given incorrect advice by a Nat West employee in branch. It is agreed he was told he would receive 4% interest. The interest that would actually be paid is 1.98%.

Mr K says he was further misled and was told he would be able to invest £1,400 into his ISA immediately, a further £1,200 in the first month and £200 each month after that. Nat West does not agree that the employee gave Mr K this incorrect information. The bank says he was made aware of the account limitations. It is agreed the limits on this type of ISA are put in place by HMRC and the maximum deposit Mr K could have made was an initial investment of £1,200, followed by monthly deposits of £200.

Mr K received a letter from Nat West which outlined the account limitations and the correct interest rate. When Mr K complained he received a final response letter on 13 April 2016, which confirmed the accurate situation. On 22 April 2016, the transfer from the third party bank took place.

In its final response letter, the bank apologised for the mistake and sent Mr K a gift of a card, a scarf and a bottle of alcohol. Mr K did not consider this to be adequate. The employee from the bank who initially made the mistake tried to speak to Mr K on the telephone on a number of occasions, which made Mr K complains made him feel uncomfortable.

Mr K says that he would not have moved accounts if he had not been misled. He says if he had kept his ISA with the third party bank he would have received a similar rate of interest and not had the aggravation of moving. He says he has lost a lot of money that he was led to expect by Nat West and it should pay him the promised interest rate on the amount it said he could invest.

The adjudicator recommended that the complaint should be upheld in part. She did not agree that Mr K had only moved bank because of the misrepresentation by Nat West. She said that Mr K had had time between the final response letter and switching from the third party bank to cancel the transfer. However, she said the bank should pay some compensation to Mr K because its mistake had caused him upset and considerable work, including long telephone calls for which he had been charged. She recommended the bank should pay £100 in compensation. The bank agreed.

Mr K did not agree. He said Nat West closed his account so quickly he could not reopen his previous account with the third party bank because it was in the process of moving over.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

There is a dispute as to whether or not Mr K was misled about the amount he could invest in this type of ISA. Although I was not present during the meeting and there is no recording of it, I have read all that Mr K and the bank employee have said about their discussion. I have also seen a copy of the ISA transfer request form which Mr K completed and signed on 9 March 2016. The form sets out clearly the account limitations. I am satisfied it is more likely that the bank employee gave Mr K information that was consistent with what was on the form. Also that Mr K would have had an opportunity to read the form before he signed it. I am therefore satisfied it is more likely that he was aware of the account limitations when he signed his application to make the ISA transfer.

There is no dispute that Mr K was misled as to the interest rate he could expect. The employee of the bank has admitted his mistake and has attempted to apologise to Mr K. I appreciate that Mr K felt uncomfortable when he received messages from that employee. However, I do not consider it was unreasonable of the member of staff to attempt to apologise directly and I note that Mr K was able to avoid picking up the telephone as it was his wish not to speak to that member of staff.

This service is not the bank's regulator and I cannot punish Nat West. I appreciate that Mr K asks to be compensated for the loss of the interest payments he was promised. However, I have to look at the whole situation and what the effect of the mistake has been upon Mr K, to try to put him in the position he would have been in had he not been misled.

Mr K says he has lost out because he would not have made the transfer request had he known he had been misled about the interest rate. He says he only went ahead with the switch because Nat West had already begun the transfer before he realised the mistake. I have seen the chronology of events and note that Mr K first complained about the interest rate on 22 March 2016. I am satisfied that from that date he was aware there was an issue. I am satisfied that from the final response letter, dated 13 April 2016, Mr K had final confirmation that he would not be receiving the 4% interest rate he had been incorrectly led to expect. If Mr K had only been switching accounts because of that rate of interest, I am satisfied it is likely he would have made some enquiries or attempts to stop the transfer, but I cannot see that he made any such efforts. In fact the transfer did not take place until 22 April 2016 and could have been stopped at any time up to that date.

I know it will disappoint Mr K, but I agree with the adjudicator's recommendation that £100 compensation is fair and reasonable to compensate him for the work, expense and upset he had in order to sort out the mistake made by Nat West.

### **my final decision**

My final decision is that I order National Westminster Bank Plc to pay Mr K £100, as it has offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 12 December 2016.

Charlotte Holland  
**ombudsman**