

## The complaint

Mr P complains that his ISA provider, Cynergy Bank Limited has provided misleading information about its ISAs in relation to the increasing of interest rates for its ISA issues.

## What happened

Mr P has invested in Cynergy ISAs since January 2020. He said its Key Product Information (KPI) is intentionally misleading to Cynergy's benefit and the disadvantage of the customer.

*'Can Cynergy change the interest rate? Yes, the interest rate may change. If we change the interest rate to your advantage we may make the change immediately and will notify you within a reasonable time of the change taking effect. Where we make a change to the interest rate that is not to your advantage, we will notify you not less than 14 days before the change takes effect. Where the balance of your account is less than £100, we will not be required to give you notice ahead of making a change.'*

Cynergy's online ISAs have issues numbers, but Mr P says the interest rate on a specific issue has never been raised, it reacts to changes by introducing a new issue with a higher interest rate. He said this means customers have to proactively monitor its website to ensure they are getting the best rate available. However, customers relying on the statement above believe they have a variable interest rate ISA and may not do anything and won't receive the higher interest rate. He said Cynergy benefits unfairly because of its misleading information.

Cynergy said Mr P had complained that it hadn't notified him of a new higher rate ISA issue and hadn't automatically uplifted the interest rate on his existing ISA. Cynergy said it doesn't notify customers when it offers a new issue and doesn't automatically upgrade interest on existing issues. Cynergy said this can be inconvenient for customers, but its rates are clearly displayed, and it has a fast-track application process for new issues.

Mr P wasn't satisfied with this response and referred his complaint to our service. Our Investigator didn't recommend that it be upheld. He said monitoring Cynergy's interest rates and applying for a new issue can be inconvenient, but Cynergy hasn't done anything wrong.

The investigator said we aren't the regulator and it's not our role to review business processes or interfere with how businesses operate - that's the role of the Financial Conduct Authority (FCA). And so we can't tell Cynergy to change the terms of an account. He said Cynergy's terms are clear about the interest rate being variable, but don't require Cynergy to increase the rate on a current issue or notify customers of new ISA issues.

Mr P disagreed with the investigator and requested an ombudsman review his complaint. He said Cynergy are misleading customers by indicating ISA issues have variable interest rates, he said these are variable ISAs that are never varied, and it is acting unfairly. Mr P wanted to know whether our service or the FCA was the body to effect change with Cynergy.

## 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.

Mr P thinks that Cynergy's KPI misleads customers and would like it amended. He accepts that its terms don't require it to vary interest rates or notify customers of new issues with higher rates, but as it states the ISA has a variable rate, which in practice is never varied, Cynergy are misleading its customers.

I can see that Cynergy offers ISAs via issues comprising an offered rate, not linked to the Bank of England base rate. It says it offers new issues responding to the market and competition independent of previous issues. It said, *'if we can increase the variable rate for customers with existing variable accounts we will notify them of the change, within a reasonable time of the change taking effect, as outlined in our terms and conditions'*.

Cynergy recognises, and it's clearly been the case, that to obtain the best interest rate customers have needed to apply for the latest ISA issue. However, in response to my questions, Cynergy has said that it has increased the interest rate on its ISAs, issues 1 to 21, this month. It said when launching issue 40 it increased the interest rate of issue 39. It appears that Cynergy wants to retain the flexibility to amend rates or provide new issues. As Mr P acknowledges, this isn't a breach of the terms and conditions of the account.

Cynergy states the new issues, and their rates are well publicised and easily available to existing customers. It advertises its accounts on its website and says it has a 'fast track' application process to enable customers to change issues. Mr P has successfully opened several accounts using this method over the last three years and he says the effect on him of Cynergy's approach to ISAs has been limited.

Mr P refers to another complaint our service considered concerning a different ISA provider. He says the terms and conditions of that business state: *'We may offer different interest rates for new accounts. The interest rate on your account won't automatically change to match the new rates.'* Mr P said this is what has happened to Cynergy's customers but at least this other business advises that it may offer different rates on new accounts, whereas Cynergy doesn't do this.

I can see that a new ISA issue with new interest rates isn't set out in Cynergy's terms and conditions, but Mr P has said in his submissions that the only difference between Cynergy's ISA issues is the interest rate and so what other reason would there be for a new issue.

I haven't found that Cynergy has acted towards Mr P in breach of its terms and conditions. And we can't require Cynergy to amend them as Mr P wishes as this concerns Cynergy's policies, which are not within our remit to direct upon. This is the role of the FCA as the financial regulator. It is open to Mr P to contact the FCA with his concerns, and the FCA can decide if it wishes to review the matter, though it won't consider an individual complaint.

As I haven't found that Cynergy has treated Mr P differently from any of its other customers or treated him unfairly, due to the lack of obligation upon it to vary its rates, I am unable to uphold his complaint.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 September 2023.

Andrew Fraser  
**Ombudsman**