

The complaint

Mrs B complains Close Brothers Limited (“Close Brothers”) didn’t tell her a better rate of interest was available on other deposit accounts they offered. She’s assisted in bringing this complaint by her husband Mr B.

What happened

In October 2022 Mrs B received a statement showing the rate on interest paid on her account. She told us was lower than she received on other comparable accounts she held elsewhere at the time. After a number of attempts to discuss this with Close Brothers she complained that they hadn’t given her notice of the reduction in rates and hadn’t told her about other products they offered which would have paid her a better rate. Close Brothers didn’t uphold the complaint. In its Final Response letter of 29 September 2022 it said it regretted Mrs B was unhappy with the present rate and the wait times she experienced when calling them to discuss her concerns. They told her they didn’t send existing customers details of new products primarily as many hadn’t given consent to be contacted for marketing purposes but were working on a solution to this as they were keen to promote their products to everyone. It said that any new products they did offer were available to new and existing customers on their website. In a further Final Response sent on 3 February 2023 the said a letter informing Mrs B of the rate reduction was sent two months before it happened, on 10 July 2020. And as Mrs B hadn’t contacted Close Brothers to discuss her options the account remains unchanged. As a gesture of goodwill, it offered Mrs B a penalty free immediate closure or transfer of her account.

Our investigator didn’t uphold the complaint. She thought there was no evidence Close Brothers had ever said they would inform customers of new products. So she thought it hadn’t acted unfairly by following its process. She thought the offer of the penalty free transfer was a fair way to resolve matters.

Mrs B disagreed. She told us she was confident she’d have opted to receive marketing information when opening the account. And she hadn’t received any mailing from the bank notifying her of the reduced rate from 10 September 2020. She didn’t think it was the responsibility of a deposit account customer to visit the website regularly to identify changes in rates or products with a deposit account. She felt such a deposit account was well suited for the bank to give it’s customers all the notice and advice they needed. And that the bank hadn’t acted in line with either the Financial Conduct Authority’s (“FCA”) banking code (“BCOBS”) or it’s guidance on the fair treatment of customers.

The investigator, after considering Mrs B’s comments, didn’t change her view. She felt, regardless of the marketing preferences set, Close Brothers hadn’t made an error by not sending Mrs B new product information.

Mrs B asked for an ombudsman to consider the matter and sent further comments for the ombudsman to consider which I’ve read.

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.

Where facts have been in dispute, incomplete or inconclusive and I can't know exactly what's happened, I've decided what's more likely to have happened, at the time, on a balance of probabilities.

Mrs B has raised several points in her submissions to this service, both before and after the investigator issued her view. I've understood and looked into all of those but I've only commented on what I think's vital in my decision. I've come to the conclusion this is a complaint I can't properly uphold. I'll explain my reasons for thinking that.

The additional terms set out on the application form required Close Brothers to give Mrs B notification *by post* of any negative changes to the rate of interest. I've seen copies of the letter sent on 10 July and the reminder on 24 August 2020. So, although I acknowledge Mrs B said she didn't get these letters from Close Brothers, on balance, I am satisfied they were sent. I don't know why it is that Mrs B has not been receiving her mail, but I cannot safely conclude that this is as a result of something that Close Brothers has done wrong. So, it wouldn't be fair for me to hold it responsible for this.

I know Mrs B thinks it isn't the responsibility of a deposit account customer to visit the website regularly to identify changes in rates or products with a deposit account but I disagree. Firstly she, as the account holder, is ultimately responsible for the management of the account. And secondly, for the reasons I've given above, I'm satisfied Close Brothers *have* given her the notice required here under the terms.

I haven't seen details of the higher rates paid on other accounts Close Brothers are said to have offered at the time Mrs B's rate reduced. But I don't think the matters. Even if such accounts were in place there's no suggestion the products weren't available to both existing and new customers. And there's a concession in both the notification and reminder letters from 2020 offering customers the option to close the account, without notice or penalty.

Similarly, although I haven't seen details of the marketing preferences Mrs B expressed, it doesn't change my overall view here. As, even if I accept she'd opted in, that didn't oblige Close Brothers to send her new product information.

So, whilst I appreciate why Mrs B - as an investor wishing to maximise the interest earned on her deposit account - is frustrated, I think Close Brothers have met their responsibilities within the account terms, so I can't uphold the complaint.

Overall, for the reasons I've given, I don't think Close Brothers need to take any further action here.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 November 2023.

Annabel O'Sullivan
Ombudsman