

The complaint

Mrs A complains about Yorkshire Building Society's (YBS) amendments to its general terms and conditions, and its lack of explanation for the changes it has made.

What happened

Mrs A said YBS advised her of its new terms and conditions by email on 20 September 2022, effective from 28 November 2022 and as a customer she took a close interest. She asked YBS about the changes, but said it hasn't provided a satisfactory answer to her questions, particularly regarding Section 5 and 7 of its new terms.

In summary, Mrs A is concerned about amendments to YBS's terms that don't show her account will be protected up to £85,000. She said YBS's confusing response gave her no confidence that her money would be safe and returned to her in full, were YBS to fail. And she is concerned that YBS has added clauses about how it can close an account or restrict transactions where we reasonably believe our financial stability may be at risk, such as actual or potentially abnormal levels of withdrawals or deposits, with reasons.

Mrs A complained after a call with YBS and YBS sent two written responses. Mrs A said neither her calls to YBS or its responses addressed or allayed her concerns. Mrs A referred her complaint to our service.

In its first response to Mrs A's complaint in November 2022, YBS said it changed its terms to make them a bit clearer and simpler to read, but hadn't added terms regarding closing an account or restricting transactions. YBS then compared the old terms to the current ones to show the similarities and confirmed that Mrs A's account is protected up to £85,000.

YBS wrote to Mrs A again and said it had sent its 'General Terms and Conditions', 'Product Factsheet', 'FSCS Sheet', 'Charges Sheet', and 'Society Rules'. YBS explained that it can change its terms without an explanation, and customers have the option to accept them and remain a YBS member or decline and close their account, which it said Mrs A had done.

YBS said its changes about the closure of an account and the account funds, is to protect YBS and members, and could be done under the old terms but is now more explicit. The question was a specialist query and YBS said it took time to get the right outcome for her.

Our investigator didn't recommend the complaint be upheld. He said YBS had sufficiently explained its reasons for the amendments to its terms and their applicability. He said YBS intended the terms to be simpler and easier to understand and he thought they were better spread out. The investigator said YBS's agent had read the terms to Mrs A for comparison. He said having reviewed both versions of the terms Section 5 and 7 are direct interpretations of Section 18 and 37 of the old terms and YBS hadn't introduced anything new, or unlawful.

Mrs A wasn't satisfied with this and requested an ombudsman review her complaint.

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.

Mrs A would like to know why YBS has amended the content of Section 5 and 7 of its terms, and in what exact circumstances they apply. She wants to know if all deposits will be safe, guaranteed and returnable in full to the account holder and where in the terms this is provided for, in particular guarantees of returning all monies if an account closed for any reason.

It is not for us to give a rationale for YBS's terms, but to see if it has treated Mrs A fairly in the circumstances of her complaint. YBS has clear authority to amend the terms and sent out a notice of important changes to its terms to all of its customers. The notice sets out the changes and explains them and says the purpose is to make them easier and simpler to read.

Having looked at the previous and new version of YBS's terms and conditions, I have found the latter to be easier to follow and more accessible through clearer presentation. I agree with the investigator that the new version includes easy-to-understand tables, and the terms are simpler to navigate and to understand.

In its calls with Mrs A, YBS's agent attempted to answer her questions about the terms, and compared the old terms to the current ones to show the similarities. Mrs A didn't agree with the explanations provided and wanted further information. I can see that in its letters to Mrs A YBS has attempted to provide further rationale for its terms and has explained the limited nature of the changes, including to Section 5 and 7. And YBS has confirmed that customer accounts, including hers, are protected up to £85,000.

I have looked at YBS's two written responses to Mrs A and the calls between them. I think YBS has made best efforts to explain its terms to Mrs A and answer her questions. I am sorry to see that she remains concerned about the implications of the terms, but I haven't found any reason to ask YBS to do anything further about this. And I haven't found any reason to suggest that YBS has provided Mrs A with poor service in her pursuit of information.

I can see that Mrs A has been genuinely worried about why the changes have been made and the safety of monies deposited. The savings market is very open and I'm sure Mrs A has realised that her dissatisfaction with YBS's amended terms and conditions and its explanation means that she is free to place her savings with another bank.

YBS is regulated by Financial Conduct Authority (FCA). Any concerns on how it conducts its business can be brought to FCA's attention, although the FCA won't consider individual complaints as that is our role.

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 Mrs A to accept or reject my decision before 26 December 2023.

Andrew Fraser
Ombudsman