

The complaint

Ms G complains that Cynergy Bank Limited did not increase the interest rate on her Individual Savings Account (ISA), despite several Bank of England base rate increases.

What happened

Ms G says that she held a variable interest rate online ISA (OISA) with Cynergy for some time. She said the interest rate was reduced on 21 January 2021. Ms G says given that the Bank of England base rate has since increased repeatedly since then, she was surprised when she checked her account and she found out she was still only receiving 0.76% interest.

Ms G says she contacted Cynergy about this, but they told her they don't automatically increase the interest rate on her account, they offered competitive interest rates, and she says she was told they don't change the interest rate on the account. Ms G said staff told her about a new version of the account with a higher interest rate, but she says she had no idea about this new account as Cynergy didn't tell her about it. Ms G made a complaint to Cynergy.

Cynergy did not uphold Ms G's complaint. They said the OISA is a variable rate savings account which means from time to time they may adjust the existing underlying interest rate. They said this could be a change to increase the interest rate or decrease it in line with their terms and conditions. They said all of their interest rates are published on both their website and Online Banking platform for both new and existing customers to access, and they acknowledged they don't directly update customers when they launch new account issues. Ms G brought her complaint to our service.

Our investigator did not uphold Ms G's complaint. She said Cynergy recognises there may be instances where their customers need to apply for new issues to get their latest offering. But for existing customers, this process can often be completed in a few clicks with their fast track apply option. She said Cynergy clearly publicises their interest rates on their website. Ms G asked for an ombudsman to 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.

Firstly, I'm aware that I've only summarised Ms G's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Ms G that it is not within this service's remit to tell a business what commercial decisions Cynergy should make, such as what type of account should earn what interest rate, and regardless of any Bank of England base rate changes (or what other

competitors interest rates are), or if they should write to a customer if other accounts offer higher interest rates. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Cynergy to make changes to its policies and procedures, if necessary.

I've considered what Ms G has said about being told Cynergy offers competitive interest rates. I accept this is a subjective term. I notice the term they used wasn't the best, or a similar word indicating they were offering amongst the highest interest rates, so I can't say that Cynergy have misled Ms G by using this term. While she may be able to find better interest rates than what she earned on her OISA, there were also lower interest rates on other savings accounts in the market at the time.

I've looked at the terms and conditions for the OISA that Ms G opened. These confirm that the interest rate is variable and that it could increase or decrease. While I'm aware Ms G says she was told the interest rate wouldn't move on the account, she was aware the interest rate was variable as Cynergy had reduced the interest rate on 4 February 2021. While Ms G has not got this account anymore, the interest rate wasn't fixed or could only move downwards. I say this because the terms and conditions don't show this, and looking at the interest rate on the account Cynergy says she opened (OISA Issue 4), I can see Cynergy did actually increase the interest rate on this account on 3 August 2023. So this does show that the interest rate can increase as well as decrease.

The terms also show a number of possible factors which go into changing the interest rate on the OISA. While one of these reasons is to "*respond proportionately to a change in the Bank of England Base Rate*", there are a number of other reasons listed here. So I can't say that just because the Bank of England base rate had increased a number of times, that Cynergy should have automatically or frequently increased the interest rate on the account, when there are many other factors they take into account when deciding the interest rate on the account.

It appears the account was set up on a non-advised basis. So the onus would be on Ms G to monitor the account, and if she felt another account would suit her circumstances better, the onus would be on her to research this and to open the account if she thought it would suit her needs better than the OISA. Cynergy aren't required to send her information about accounts which offer higher interest. These may also have different product terms, and they may not be suitable for her circumstances. While Ms G has described the hassle to move from one ISA to another, Cynergy have said they offer a "*fast track*" process. And I would not be able to hold Cynergy responsible for a third party company process if their application process is cumbersome. So it follows I don't require Cynergy to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 12 January 2024.

Gregory Sloanes
Ombudsman