

## The complaint

Mr S complains that OneSavings Bank Plc trading as Kent Reliance won't increase the interest rate on the fixed rate savings account he holds.

## What happened

In April 2023, Mr S applied for a one-year fixed rate savings account paying 4.51% AER. Kent Reliance wrote to Mr S on 11 April 2023 to confirm the account had been opened and said there was a 14-day cooling off period which ends on 25 April 2023.

On 19 May 2023, Mr S contacted Kent Reliance and asked to move his funds into the higher rate fixed rate savings account that that bank was now advertising.

Kent Reliance said this couldn't be done. In its final response letter, it explained that it was unable to allow any changes to be made to the account Mr S holds outside of the cooling off period. It said this information was in the account's terms and conditions and was also included in the letter he'd been sent on 11 April 2023.

As Mr S was unhappy with Kent Reliance's response, he referred the complaint to us. One of our Investigators looked into it, but she didn't recommend that it should be upheld. She said the information about how the account worked was made available to Mr S when he opened it. She didn't think it was unfair for Kent Reliance to rely on the terms and conditions to say it was unable to transfer the funds to an account offering a higher interest rate outside of the cooling off period.

Mr S was disappointed. He didn't think Kent Reliance has the right to hold his money until next year. He pointed out that he didn't ask for the money to be moved, just for the interest rate on his account to be increased. He said nobody reads the terms and conditions and felt Kent Reliance could let him have the money back or update his account, but it is *"hiding behind their T's & C's."*

As no agreement could be reached, the matter has been referred to me to decide.

## 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.

Having done so, I'm satisfied that Kent Reliance hasn't treated Mr S unfairly. I know this isn't the outcome he was hoping for, so I'll explain why.

When a customer opens a fixed term savings account, they agree that their money is to be held in the account for a specified period and, in return, they have the certainty of a guaranteed interest rate for this time. Banks then rely on that commitment to use the funds for the period they are locked in, such as by lending the money out to other borrowers. Whilst the precise terms and conditions of fixed term deposit accounts will vary from provider to provider, generally withdrawals or early closure are not permitted during the fixed term.

I've looked carefully at the information Kent Reliance gave Mr S about the account when he opened it. In its welcome letter it said that there is a 14-day cooling off period and that Mr S should read the terms and conditions to ensure he was happy. The terms and conditions specific to the one-year fixed rate account Mr S opened are detailed in one page. The terms and conditions set out what Mr S can expect. They say the interest rate on the account is fixed and cannot be changed throughout the account term. They also say that withdrawals and early closures are not permitted during the account term. I think Kent Reliance gave Mr S enough information about how the account worked to enable him to make an informed choice as to whether it was right for him.

Initially, Mr S was happy with the account. He's pointed out he didn't ask for the money to be moved, suggesting he broadly accepts he can't withdraw the money or close the account until the end of the agreed term. Mr S's dissatisfaction occurred when he discovered that Kent Reliance had released a new fixed term account paying a higher rate of interest than he's receiving. I appreciate Mr S wants to make the most of his savings and to benefit from higher interest rates. But by entering into a fixed term account, Mr S has agreed to tie up the funds in exchange for that fixed interest rate for the duration of the term. This is the case even though Mr S has said he didn't read the terms and conditions at the time. I do recognise that wider market conditions have changed since Mr S tied his money up into this account but I'm unable to fairly say that Kent Reliance should have to increase the interest rate on Mr S's account as a result of that when he has entered into a fixed rate account.

I realise Mr S feels strongly about this complaint and I'm sorry to disappoint him. But I don't agree Kent Reliance has made any mistakes here. I believe it has treated him fairly and reasonably overall.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 January 2024.

Claire Marsh  
**Ombudsman**