

The complaint

Mr T has complained that Melton Mowbray Building Society ('Melton Mowbray') acted unreasonably when it closed his savings account.

Background

Mr T held a fixed rate savings account with Melton Mowbray. In 2020 Mr T contacted the building society to begin arranging the closure of an account held by a close family member who had sadly passed away. During that exchange Mr T found it necessary to make a number of complaints when the requested account closure and linked balance transfer weren't completed in way he had expected them to be.

Following the issues regarding his family member's account Melton Mowbray made the decision to close Mr T's saving accounts as it felt the relationship between it and Mr T had broken down and Mr T was clearly unhappy with the customer service levels he was receiving. So, it issued Mr T with a closure letter explaining his account would be closed in 30 days.

Mr T was extremely unhappy with the decision to close his account and believes it was unwarranted and the business was effectively punishing him for complaining when he says he had due cause to. He asked that his account be reopened.

Melton Mowbray refused and stated that under the terms and conditions of Mr T's account the business was entitled to close it and that it wasn't a result of the complaints he had made but rather the breakdown of trust between the parties that had resulted in the decision to close the account.

Unhappy with Melton Mowbray's decision Mr T brought his complaint to this service. One of our adjudicators looked into it already. She found that under the terms and conditions of the account Melton Mowbray were entitled to close Mr T's savings account provided it gave him sufficient notice. In this instance she was satisfied that that notice had been given and so, she didn't think the business had done anything wrong in how it had managed the account closure and she didn't uphold the complaint.

Mr T remained unhappy and asked for an ombudsman to review his case again and so it's been passed to me to consider.

My Findings

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've decided not to uphold Mr T's complaint. I'll explain why. First, I'm very aware that I've summarised this complaint very briefly, in far less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here: was it fair and reasonable Melton Mowbray to close Mr T's fixed term savings account the way that it did?

If there's something I've not 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 or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr T has alleged that the sole reason Melton Mowbray decided to close his account is because he had cause to complain about issues he had experienced when trying to arrange the closure of a family member's account and linked transfer of funds. He says that Melton Mowbray failed show any empathy for him given he experienced two close family members passing away in a short space of time. He believes the decision to close the account was unreasonable, unwarranted, and insensitive. He has also mentioned a number of errors in letters he received around this time and the unprofessional manner which he believes he was treated.

Melton Mowbray have said that it is entitled to close the account of any member of the building society it chooses. It has referred back to the terms and conditions that all members must adhere to and says that under those terms it was entitled to close Mr T's account. In particular it has relied on the following clause found on page 16 of its rules:

....the Society may terminate the membership rights of a Shareholding Member...as follows:
a)

(i) with immediate effect if:

- he has been physically or verbally abusive to the Society's staff;*
- the Society reasonably suspects that his share account is being used for an illegal purpose; or*
- the Society has any other valid reason for immediately terminating his membership rights as a Shareholding Member....*

Melton Mowbray is relying on the final clause cited above to justify the closure of Mr T's account. While I appreciate it is vague and that 'any other valid reason' could be applied across a board spectrum of reasons, the rules do allow for the Building Society to end its relationship with Members if it so chooses providing the correct processes are followed. And in this instance the correct process was to give Mr T a month's notice so he could arrange for his funds to be moved elsewhere. And Melton Mowbray did this.

Melton Mowbray has also confirmed that at the point Mr T's account was closed it refunded him with not only the savings and interest he had already accumulated in the account but also added on the additional interest he would've earned had the account continued to its original end date. I think this was a reasonable action for Melton Mowbray to take and has allowed Mr T to still have the benefit of the account despite it closing earlier than planned. Therefore, having taken everything Mr T has said into consideration, as well as everything Melton Mowbray has said, I don't think the business did anything wrong when it chose to end its relationship with Mr T. I know Mr T will disagree with the points I've made but I hope I have clarified why I've come to the outcome I have.

I appreciate Mr T wanted his account to remain open and that he believes the closure was unjustified and unnecessary. However just as consumers are free to close accounts and move from financial business to financial business without having to provide justifications, businesses are also entitled to decide whom they provide services to. And in this instance Melton Mowbray decided it was no longer possible to provide Mr T with services in the manner which he expected them. So, it made the decision to end the relationship. This is something it is allowed to do and so I can't uphold Mr T's complaint on this basis as I can't say the business has done anything wrong in how it closed his account.

My final decision

For the reasons set out above I don't uphold Mr T's complaint against Melton Mowbray Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 October 2023.

Karen Hanlon
Ombudsman