

## The complaint

Ms H complains about the management and administration of her 30 Day Notice Cash ISA by Aldermore Bank Plc (“Aldermore”).

## What happened

Ms H received a message from Aldermore which said:

*“We’ve increased your variable interest rates [effective from 31 March 2023]*

- ...
- *All issues of the 30 Day Notice Account have increased to 3.20% AER*
- ...”

Ms H took the above to mean that the interest payable on her 30 Day Notice Cash ISA had increased, which it hadn’t.

On 11 April 2023 a financial institution that I will call “Y” contacted Aldermore requesting immediate transfer of the balance on Ms H’s 30 Day Notice Cash ISA balance.

On 12 April 2023 at 10:27 the above request was accepted and authorised by Aldermore.

On the same day at 15:20 Ms H contacted Aldermore to say; *“I require you to PLACE A CLOSURE NOTICE on my ISA so NO PENALTY is applied when ISA funds are moved to [Y]”*.

On the same day at 18:30 Y confirmed it was ready to accept the transfer of Ms H’s 30 Day Notice Cash ISA balance.

On 13 April 2023 Aldermore sent Y the sum of £1,002.95 being the balance of Ms H’s 30 Day Notice Cash ISA of £1,005.22 less a £2.27 interest deduction.

On the same day, but after the sum of £1,002.95 had been sent to Y, Aldermore reviewed Ms H’s message sent to it on 12 April 2023.

On 16 April 2023 Aldermore issued Ms H with a final response letter (“FRL”) addressing a complaint that she had raised that its variable interest rate increase message was unclear and misleading and that she shouldn’t have suffered a £2.27 interest deduction on the transfer of her 30 Day Notice Cash ISA balance to Y. Under cover of this FRL Aldermore said it believed it had acted appropriately and that it wasn’t upholding Ms H’s complaint.

On 22 April 2023 Ms H referred her complaint to our service for investigation.

On 12 June 2023 Aldermore issued Ms H with a second FRL. Under cover of this FRL Aldermore said it was satisfied that it had done nothing wrong in deducting £2.27 interest from Ms H's 30 Day Notice Cash ISA balance on transfer to Y, but for any confusion its variable interest rate increase message might have caused it was prepared to pay Ms H £25, which it did.

Ms H's complaint was considered by one of our investigators who came to the view that it shouldn't be upheld. In summary she said:

- £25 for any confusion Aldermore's variable interest rate increase message might have caused was more than fair
- the setting of interest rates is a commercial decision and something our service has no power to influence
- Aldermore did nothing wrong in applying a £2.27 interest deduction on transfer of Ms H's 30 Day Notice Cash ISA balance to Y.

Ms H didn't agree with the investigator's view so her complaint has been passed to me for review and decision.

### **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 can confirm that I've come to the same outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

#### *variable interest rate increase message*

I'm satisfied that Aldermore's variable interest rate increase message wasn't unclear or misleading. But even if I had concluded that it was, given how quickly Aldermore corrected Ms H's understanding of the message I can confirm that I wouldn't have awarded her anything more in compensation for this particular issue than Aldermore has already paid her.

#### *interest rate setting*

A business is entitled to make commercial decisions around the level of interest it offers on savings or charges to borrowers. And as pointed out by the investigator, this isn't something we would generally interfere with.

Here I'm satisfied that Aldermore's decision not to increase the interest rate payable on the 30 Day Notice Cash ISA is one that it isn't appropriate for us to interfere with, or get involved in. I say this because I'm satisfied that in not raising the rate Aldermore wasn't in breach of the 30 Day Notice Cash ISA terms and conditions and given that I've seen no persuasive evidence that Aldermore's commercial decision wasn't exercised legitimately.

I appreciate Ms H might like an explanation from Aldermore as to why it didn't increase its 30 Day Notice Cash ISA interest rate, but Aldermore is under no obligation to provide this. But in any event, I can't see that a lack of an explanation from Aldermore on this issue has caused, or will cause, Ms H a financial loss or a level distress and inconvenience that would warrant the making of a financial award by me.

#### £2.27 interest deduction

I can understand Ms H's frustration in discovering that on the transfer of her 30 Day Notice Cash ISA balance to Y she suffered a £2.27 interest deduction, especially given the content of her message to Aldermore dated 12 April 2023.

But having considered everything the parties have said and submitted I can't see that Aldermore did anything wrong in deducting this sum. Furthermore, and for the sake of completeness, I would add that I'm satisfied that:

- the 30 Day Cash ISA terms and conditions allow for the £2.27 interest deduction and for the transfer to be managed and administered in the manner that it was
- Aldermore received instructions from Y to make the transfer immediately and Aldermore did nothing wrong in acting on those instructions
- on Aldermore reviewing Ms H's message, sent on 12 April 2023, the transfer had already been made (inclusive of the £2.27 interest deduction)
- Aldermore did nothing wrong in reviewing Ms H's message sent on 12 April 2023 on 13 April 2023, this being within one business day as advised
- even had Aldermore reviewed Ms H's 12 April 2023 message immediately the transfer, having been authorised, could not, as I understand it, be cancelled

I accept that Ms H will be disappointed but having paid her £25 I'm satisfied that Aldermore need do nothing further.

#### **My final decision**

My final decision is that Aldermore Bank Plc, having paid Ms H £25, need do nothing further.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 1 January 2024.

Peter Cook  
**Ombudsman**