

## **The complaint**

Mrs M is unhappy that Santander UK Plc misinformed her about the terms of an ISA.

## **What happened**

Mrs M opened a variable rate ISA with Santander. The staff member she spoke with convinced her to open the ISA and explained that Mrs M wouldn't need to monitor the ISA account because any interest rate increases would be applied to the ISA automatically during the twelve-month term. But when Mrs M did review her ISA at the end of the twelve-month term, she noticed the interest rate had remained the same for the whole term, despite several base rate increases. Mrs M wasn't happy about this, so she raised a complaint.

Santander responded to Mrs M and explained while Mrs M's ISA was a variable rate ISA, it was at Santander's discretion as to whether to lower or increase the interest rate for that product and that the interest rate was directly linked to the UK base rate as Mrs M inferred. And Santander explained that they had issued newer twelve-month ISAs with better interest rates, which Mrs M had been free to move her money into, but that it had been Mrs M's responsibility to have monitored her account and requested such a transfer. Mrs M wasn't satisfied with Santander's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Santander had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mrs M remained dissatisfied, so the matter was escalated to an ombudsman for a final 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mrs M has provided several detailed submissions to this service regarding her complaint. I'd like to thank Mrs M for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mrs M notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mrs M and Santander. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

It's clear from Mrs M's complaint that she had an incorrect understanding of the terms of the ISA that she signed up for and about which she now complains. I say this because I'm satisfied from the terms and conditions and the key features document for the ISA that Santander have administered the ISA in line with those terms. But Mrs M has explained that she was misled by the Santander staff member she spoke with at the point of sale, who gave her incorrect information about the ISA, and who was therefore the cause of her developing the incorrect understanding of the ISA terms that she did.

Mrs M notes that the point-of-sale staff member told her that the ISA had a variable interest rate that would increase automatically when Santander increased interest rates. Because of this, Santander's staff member told Mrs M that there was no need for her to take any action to obtain a more favourable interest rate and that therefore she didn't need to monitor the ISA account at all during the twelve-month term.

But the truth of the matter was that while the interest rate for the ISA was variable, any changes in the ISA interest rate were entirely at the discretion of Santander and weren't automatically applied in response to any stimuli or factor. And, in this instance, Santander didn't elect to change the interest rate during the ISA term.

There were, however, opportunities available for Mrs M to obtain a higher interest rate during the ISA term. And this was because during the term Santander issued a series of new ISAs which benefitted from better interest rates to which Mrs M was free to move her money at any time. But Santander didn't automatically transfer money from one ISA to another. Such a transfer had to be requested by an ISA account holder.

Mrs M is adamant that Santander's staff member told her that she didn't need to monitor her ISA account and that all interest rate increases would be automatically applied for her. But there's no record of the conversation between Mrs M and Santander's agent for this to be verified, and Santander don't feel that their advisor was likely to have given such clearly incorrect information.

In circumstances such as this, where the positions of a complainant and a respondent business sit against one another, and where there's no corroborating evidence available, I have to decide which of the two versions of events I feel is most likely to have happened, on balance, and in full consideration of all the information and evidence that is available to me.

However, in this instance, I don't feel that it's necessary for me to decide which version of events is most likely to have happened. This is because Mrs M was presented with the terms and conditions and key features documents for the ISA – which confirmed the correct terms of the product. And I feel that it should have been apparent to Mrs M from these documents that her understanding of the nature of the ISA was incorrect.

Additionally, it was Mrs M's responsibility as the account holder to have monitored her ISA account. And if Mrs M didn't want to monitor the account online as she's explained was the case, and if was told by Santander's agent that she didn't need to monitor the account online, then there were several other channels available for her to regularly access her account. And I feel it stands to reason, whatever Mrs M may have been told by Santander's agent, that the responsibility for monitoring an account, rests with the account holder.

Because of this, I don't feel that Santander have acted unfairly towards Mrs M as she feels is the case here. This is because if Mrs M was given incorrect information about the ISA by Santander's agent, she was given correct information about the ISA in document form, which I feel Mrs M reasonably should have reviewed. And because I feel that if Mrs M did miss the

opportunity to transfer her ISA balance to a new ISA with a better interest rate, that this was because Mrs M didn't monitor her ISA account, which ultimately it was her responsibility to.

None of which is to say that I do or do not accept Mrs M's position that Santander's agent gave her incorrect information as she's explained. But it is to say that if that were the case, I don't feel that Mrs M's responsibilities to have reviewed the ISA documents and to have understood the account, or to have then monitored the ISA, were reasonably diminished in the manner that Mrs M contends.

I realise this won't be the outcome Mrs M was wanting, but it follows that I won't be upholding this complaint or instructing Santander to take any further action. I hope Mrs M will understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 5 January 2024.

Paul Cooper  
**Ombudsman**