

The complaint

Mr B is unhappy that, for a while, Shawbrook Bank Limited provided a lower rate of interest on their 120-day notice account than they did on their easy access account.

What happened

Mr B held a 120-day notice account with Shawbrook because he expected the interest rate for that account to be higher than the rate he could obtain from Shawbrook's easy access account. Indeed, Mr B noted that Shawbrook's own literature explained that notice accounts 'typically' have higher rates of interest than easy access accounts.

But Mr B later discovered that Shawbrook had increased the interest rate they were offering on their easy access account but not on the 120-day notice account which he held. And this meant that, at that time, Shawbrook's easy access account paid a higher rate of interest than their 120-day notice account. Mr B wasn't happy about this, so he raised a complaint.

Shawbrook responded to Mr B and confirmed that the volatile market and Bank of England interest rate rises had led them to raise the interest rate on their easy access account, which meant the interest rate on that account was higher than the interest rate on their 120-day notice account. And Shawbrook explained this had happened because their easy access account was reviewed and updated more regularly than their 120-day notice account. Mr B wasn't satisfied with Shawbrook's response and felt a notice account should always pay higher interest than an easy access account. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Shawbrook had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr B 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.

Mr B has explained that because Shawbrook's literature stated that notice accounts 'typically' have higher rates of interest than easy access accounts, that this means that the Shawbrook 120-day notice account that he held should always have a higher rate of interest than Shawbrook's easy access account.

But I feel that Mr B's assertion here is based on a misunderstanding of the term 'typically', which doesn't imply any definitiveness as Mr B suggests.

Rather, if something is 'typically' higher than something else, then this is usually the case, but isn't guaranteed to always be the case.

This is what's happened here. Shawbrook's 120-day notice account does usually provide a higher rate of interest than Shawbrook's easy access account. But it isn't guaranteed to always provide a higher rate of interest than Shawbrook's easy access account.

Notably, in their response to Mr B's complaint, Shawbrook provided what I feel is a fair and reasonable explanation as to why the interest rate offered on their easy access account was higher than the interest rate offered on their 120-day notice account during the time about which Mr B complained. Specifically, this was because of unusually strong market volatility combined with the fact that their easy access account is reviewed and updated more regularly than their 120-day notice account.

As such, I'm satisfied that what's happened here is that the factors described above led to Shawbrook raising the interest rate offered on their easy access account above the rate being offered on their 120-day notice account. This typically wasn't the case, but it was that case in this specific instance. And I don't feel that this was unfair.

As the account holder the onus was on Mr B to have monitored his accounts and to have held his money where he felt it would be most beneficial for him. And, at a time when the Bank of England was increasing the base rate of interest regularly, I feel that the potential drawback of holding his money in a notice account – which would restrict his ability to be able to move his money quickly to any alternative accounts which provided more beneficial rates of interest – was a factor that Mr B reasonably should have considered.

All of which means that I don't feel that Shawbrook have acted unfairly or done anything wrong here. And it follows from this that I won't be upholding this complaint.

I note that Shawbrook, in their response to Mr B's complaint, offered to move his money into an easy access account without waiting for the notice period or with Mr B incurring a penalty. I feel that this gesture of goodwill by Shawbrook is both reasonable and generous, and I won't be instructing them to take any further or alternative action beyond this.

I realise this won't be the outcome Mr B was wanting, but I hope that he'll 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 Mr B to accept or reject my decision before 12 January 2024.

Paul Cooper
Ombudsman