

The complaint

Mrs G complains that West Bromwich Building Society (WB) failed to notify her about the maturity date of her fixed rate bond and refused to close the bond after the funds rolled over.

What happened

In May 2019 Mrs G invested £10,000 into a fixed rate bond provided by WB, for a fixed term of three years. Under the terms and conditions for the bond, if no instructions were given before maturity, the funds would be automatically reinvested into another fixed rate bond or if such a product was unavailable, into an easy access account.

WB say they wrote to Mrs G on 14 April 2022 setting out the options at maturity, but no response was received. In line with the terms and conditions the funds were then re-invested into another three-year fixed rate product. The same terms applied, namely, that withdrawal was not permitted until the end of the term.

Mrs G says she did not receive any correspondence from WB and she was unwell at the time so could not attend her local WB branch. Mrs G attended the branch on 16 January 2023 and requested closure of the new bond. WB declined to close the bond as it had not yet reached maturity.

Mrs G says she needs funds to repay her son who paid for building works to her property. In her initial complaint to our service, Mrs G claimed she was in financial difficulty.

Our investigator considered the complaint and decided not to uphold it. He thought it was more likely than not that WB sent Mrs G a maturity pack providing information about the maturity options and even if the letter had not been received, Mrs G ought reasonably to have known that the fixed-term period was coming to an end. Whilst Mrs G may not have been able to attend the branch, it was likely that instructions could have been given over the phone or electronically. As no instructions were received, WB rolled the funds into another fixed rate bond in line with the term and conditions. On balance, our investigator thought the information provided to Mrs G was clear, fair and not misleading. The terms had explained that withdrawals could not be made before maturity. So, WB did nothing wrong in refusing the request to withdraw funds early.

Mrs G maintains that she did not receive a letter about the maturity date, she did not intend to reinvest the funds, WB had treated her unfairly and she criticised WB's lack of compassion.

As the parties do not agree, the matter has come to me 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.

It is not disputed that Mrs G signed the application form for the original bond in 2019 and

agreed to be bound by the terms and conditions. Having reviewed the information available at the time, I consider that it is more likely than not that Mrs G knew or ought reasonably to have known that the bond was fixed for three years and at the maturity date she would have to make an election about whether to re-invest or to withdraw the funds. I'm also satisfied that Mrs G agreed to the term which said funds would be re-invested into a like product (if available) if no instructions were provided.

On balance, I find that it is more likely than not that WB did send a maturity pack containing the options available to Mrs G. That's supported by screenshots from the time and there's nothing to show that the correspondence address was incorrect. Even if Mrs G didn't receive the pack, and I'm persuaded it's likely she did receive it, then in the alternative I consider that Mrs G ought reasonably to have known the maturity date. It was for Mrs G to give instructions about the funds at maturity. There was no requirement for Mrs G to go to branch to give these instructions, which could have been given by phone or electronically. So, I'm not persuaded that Mrs G was unable to give her instructions in time.

As no instructions were given, WB moved the funds into another fixed bond in accordance with the original terms and conditions, to which Mrs G had agreed. It is relevant that Mrs G didn't contact WB until around nine months after the bond matured and at that point sought withdrawal to move funds to a higher paying interest account. I note Mrs G does not recall this conversation, but I think it is unlikely that WB would have fabricated this event.

I've also seen that WB did consider Mrs G's circumstances when she later made contact. I've seen notes from a call in February 2023 where Mrs G was told that under the terms of the bond withdrawals could not be made until it reached maturity, however, consideration would be given to circumstances where financial difficulty was shown. The notes record that Mrs G disconnected the call and no further information was provided at this time. WB have also highlighted that an inconsistent account was given, with Mrs G initially asking in branch to withdraw funds to move to a higher paying interest account, then saying she needed to withdraw funds to repay a loan from her son for completion of building works which appear to have been completed several months after the original bond matured. It may be that Mrs G has a family arrangement but I haven't seen anything to support the claim that this has caused financial difficulty. So, on the basis of the information provided, I'm not persuaded WB have done anything wrong in applying the terms and conditions for the bond and refusing the early withdrawal request.

Given my findings, I find that it isn't fair and reasonable to ask WB to do anything more.

My final decision

I'm sorry to disappoint Mrs G, but for the reasons given I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 20 October 2023.

Sarah Tozzi
Ombudsman