

The complaint

Mr H complains that Atom Bank PLC (Atom) are preventing him from withdrawing his savings held with them which are currently in a 5-year fixed savings account.

What happened

In October 2023, Mr H contacted Atom to ask to withdraw the full balance of the account so he could transfer it to another provider. The 5-year account had been open since September 2021 and is due to mature in September 2026. The reason that Mr H gave for the request was his perceived view of the instability of the bank citing economic factors involving the IMF and the Bank of England, a report from Atom, its credit rating versus a competitor, and also recent events about a competitor. Atom declined his request, so Mr H logged a complaint with them.

Atom responded to the complaint and didn't uphold it. They said funds in that type of account cannot be withdrawn until maturity as per its terms and conditions, unless Mr H's had experienced a material change in his circumstances, which he hadn't. Dissatisfied, Mr H brought his complaint to our service.

Our investigator didn't recommend that the complaint be upheld. They said Mr H's circumstances did not meet Atom's criteria for consideration of early withdrawal. They also said that in terms of the Financial Services Compensation Scheme (FSCS) protection limit, Mr H exceeded this by £164.60 and Atom were happy to remit this to Mr H.

Mr H disagreed with this outcome and requested an ombudsman review his complaint.

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.

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, and while I recognise this will come as a disappointment to Mr H, I have decided not to uphold complaint for broadly the same reasons as the Investigator.

As part of my considerations, I cannot ignore that Mr H voluntarily actioned and signed up for the account in question which would have meant acknowledging and reading important information about the account that Atom made available.

Turning to the terms and conditions, it is the case that terms and conditions do form the basis of a financial contract, and our service cannot influence them as we are complaint handlers, not the regulator. And I'm satisfied that as far as the fixed saver account goes, they are sufficiently clear.

One aspect that I want to address is why Mr H wants to access his savings. He talks about economic factors and the research he has done into Atom, but this service doesn't look at actions connected to what might happen to a financial institution. Besides, the FSCS is very

clear in that it will automatically return all funds up to the compensation limit. And in most cases for deposits such as Mr H's, their aim is to pay compensation within seven days of any institution failing. Considering Atom have already agreed to return the amount by which Mr H exceeds the compensation limit, and the FSCS will refund the remainder, I don't believe the reasons Mr H has stated for withdrawal are reasonable.

I also wanted to mention one more aspect which pre-dates this complaint. In April 2020, Mr H brought up similar concerns about another account asking Atom to release anything over the FSCS limit. They did agree, releasing nearly £3,000 and they changed his interest instructions to ensure that interest was remitted rather than capitalised, meaning the balance would not subsequently increase. I do regard this as valid example of Atom's customer focus.

While Mr H is likely to be unhappy with my decision, taking everything into account I think Atom have acted fairly and reasonably in applying the terms and conditions of the account and declining Mr H's request to close it.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 April 2024.

Chris Blamires
Ombudsman