

The complaint

Mr D complains that Coventry Building Society automatically reinvested his matured funds from his fixed term cash ISA into another fixed term cash ISA. He's also unhappy that his funds were not reinvested into an easy access account after he raised this issue.

What happened

Mr D had a three-year fixed rate and term cash ISA with Coventry Building Society (CBS) which matured on 31 May 2022.

In advance of this, on 3 May 2022, CBS wrote to Mr D and outlined his options for reinvestment or withdrawal of his funds once they matured. The letter explained that if CBS didn't hear from Mr D it would automatically reinvest his funds into another three-year fixed term ISA. It noted Mr D would then have until 21 June 2022 to change his mind and withdraw the funds should he wish.

There was no contact from Mr D to CBS prior to the maturity date and so his funds were reinvested on 31 May 2022.

At the beginning of June 2022, Mr D logged into to his online services, realised what had happened and complained. Mr D didn't think it was right CBS had tied up his money and felt his funds should have remained accessible.

Mr D then spoke with CBS about the complaint. CBS and Mr D disagreed about what happened next.

CBS stated that its representative spoke with Mr D at the beginning of June 2022 and explained the money could still be withdrawn without penalty. It outlined the two easy access cash ISAs it offered and the fact that the one with the higher interest rate was only available online so Mr D would have to set this up himself. According to CBS, Mr D agreed he would open the ISA online and transfer his funds by the 21 June 2022. However, Mr D didn't open his easy access ISA online until 24 July 2022.

Mr D said he had substantial difficulties accessing his online account due to technical issues with CBS's systems following an upgrade. He said he'd tried to contact CBS on multiple occasions but was on hold for lengthy periods and frequently gave up. That being said, Mr D says that he did manage to speak with CBS and it told him it would open an easy access ISA for him and reinvest his funds. However, it then failed to do this.

On 20 August 2022, Mr D complained to CBS because his funds remained in the fixed ISA. CBS didn't uphold his complaint and Mr D then brought his concerns to our Service.

Our Investigator reviewed the evidence and was of the opinion CBS had acted reasonably. In particular, our Investigator wasn't persuaded CBS had agreed to move Mr D's funds for him as there was no record of this call.

Mr D disagreed and felt there was too much reliance on CBS's version of events. He said CBS's systems were not foolproof and just because it couldn't find a call recording, this didn't mean it didn't happen. He shared screenshots of the online error messages he'd seen and explained he was unable to log on to see his account so didn't realise the money hadn't been moved.

Mr D's complaint has now been passed to me to consider.

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.

On the maturity of Mr D's ISA, CBS needed to take some action with his funds.

Having reviewed the letter CBS sent to Mr D at the beginning of May 2022, I'm satisfied CBS clearly communicated with Mr D in advance of the maturity date by writing to him, at the correct address, and outlining his options including what would happen if he took no action. I think this letter shows CBS gave Mr D sufficient opportunity to make an informed choice, take an alternative course of action and change his mind.

Given CBS didn't hear from Mr D following this letter, I think it was reasonable for it to automatically reinvest the funds in the way that it did. I appreciate Mr D felt it was unreasonable for CBS to tie up his funds once again. However, all CBS did was treat his funds in the same way he'd originally requested – investing them into another fixed ISA for the same duration of time. CBS also clearly informed Mr D it would do this and gave him a cooling off period. In the absence of an alternative instruction and keeping in mind inaction was not an option, I don't think this was unreasonable. I'd also note that this was not the first time CBS had automatically reinvested Mr D's funds – the ISA that matured in May 2022 had been automatically set up when funds from an earlier three-year fixed term ISA matured.

I've then considered Mr D's concerns about the setting up of the easy access ISA. Having listened to the call between Mr D and CBS on 9 June 2022, I think CBS made clear the funds needed to be transferred out of the fixed term ISA before 21 June 2022. Mr D was clearly interested in the higher interest rate easy access ISA and told CBS he would open the account online and transfer the funds himself.

However, Mr D said that there was a call where CBS agreed to set up the ISA for him - a call CBS says it has no record of. Where evidence is incomplete or conflicting, I need to decide what I think is most likely, given the evidence I do have.

Mr D's account is that he called CBS on multiple occasions; that he was on hold for lengthy periods of time and gave up with calls; and that on one occasion he was told CBS would transfer the funds. However, I haven't been provided with any evidence to support Mr D's account that he spoke with CBS at all before 24 July 2022. I agree with Mr D that no business's systems are foolproof. However, if the calls had taken place, on balance, I would expect some record (for example, call notes or phone logs if not recordings) to be available from either Mr D or CBS. In the absence of this, taking everything into account, the evidence doesn't indicate these calls took place.

Mr D has provided screenshots of errors he's experienced with his online banking. Whilst none are dated within the relevant time period, they demonstrate that Mr D has had significant issues accessing his online services. Mr D has told us the systems issues were CBS's fault due to a system upgrade. Mr D feels that CBS are therefore responsible for the fact his funds weren't transferred before the June 2022 deadline. But I'm not persuaded this

is the case. Ultimately, following the conversation with CBS in early May 2022, Mr D knew it was his responsibility to set up a new ISA and make the transfer before the deadline. Yet the evidence doesn't indicate that he took any further action to try to ensure this happened until a month after the deadline. So, in these circumstances, regardless of any online banking issues, I don't think CBS can be held responsible for the fact the transfer didn't take place in time.

For all of these reasons, I don't think CBS acted unfairly.

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 D to accept or reject my decision before 11 August 2023.

Jade Cunningham
Ombudsman