

## The complaint

Mr K complains about incorrect information given by Coventry Building Society when he asked how interest is applied to a Limited Access ISA (online) (4) and Limited Access Saver (online) (8) account.

## What happened

On 4 July 2023 Mr K opened a Limited Access ISA (online) (4) with Coventry and requested a transfer from his existing provider. On the same day Mr K spoke with an advisor at Coventry and was told it would apply interest to the funds it received from the date he opened the Limited Access ISA (online) (4). Coventry has since confirmed Mr K was given the wrong information.

On 5 July 2023 Mr K opened a Limited Access Saver (online) (8) account with Coventry.

On 11 July 2023 the ISA transfer process completed and funds were credited to the Limited Access ISA (online) (4). On 12 July 2023 Mr K spoke with Coventry and advised he was told that interest would be backdated to 4 July 2023, the date the account was opened. Coventry agreed to pay Mr K the backdated interest within 48 hours.

On 13 July 2023 Mr K contacted Coventry and closed his Limited Access Saver (online) (8) account. Mr K asked whether Coventry would pay interest on the funds held in the Limited Access Saver (online) (8) account to the date the funds were sent to his nominated bank account. Coventry's advisor confirmed interest would be payable on the date the funds were transferred. Coventry has since confirmed Mr K was given the wrong information.

On 14 July 2023 Mr K spoke with Coventry as the funds he'd received from the Limited Access Saver (online) (8) account didn't include interest until the date the funds were sent to his nominated account. Mr K asked Coventry to pay him £8.92, the interest he was told would be payable. Coventry didn't agree and a complaint was raised.

A final response was issued on 14 August 2023 and Coventry said Mr K had been misadvised on a number of occasions concerning how interest would be applied to his accounts. Coventry paid Mr K £72.65 to make up for the interest he was told would be applied to his Limited Access ISA (online) (4) and Limited Access Saver (online) (8). Coventry also apologised for the information Mr K was given and paid him £150 for the distress and inconvenience caused.

Mr K referred his complaint to this service and it was passed to an investigator. They thought Coventry had agreed a fair settlement to resolve Mr K's complaint and didn't ask it to do anything else. Mr K asked to appeal and said the investigator had failed to answer his complaint about the errors Coventry made in relation to his Limited Access Saver (online) (8) account. Mr K also pointed out multiple advisors at Coventry had given him the wrong information about how interest was applied to his accounts and that it was legitimate to consider the behaviour as systemically dishonest. As Mr k asked to appeal, his complaint has been passed to me to make a 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.

As Mr K has said in his initial complaint submissions and response to the investigator, there were two accounts that were impacted by the information given by Coventry - the Limited Access ISA (online) (4) and the Limited Access Saver (online) (8) account. I'll start by looking at the Limited Access ISA (online) (4).

All parties accept that when Mr K spoke with Coventry on 4 July 2023 he was incorrectly told that interest would be payable from the date the account was opened. Coventry has since confirmed that information was wrong and that Mr K should've been told interest would accrue from the date his ISA transfer funds were received from his previous provider. I can see the incorrect information was given to Mr K during two calls he made to Coventry. And I can understand why Mr K was disappointed to find he'd been given the wrong information when the ISA transfer process completed.

In its final response to Mr K, Coventry agreed to pay him the interest its advisors said his savings would accrue. For the Limited Access ISA (online) (4), £76,203.27 was paid in on 11 July 2023. Coventry applied seven days interest at a rate of 4.1% which totalled £59.92. I'm satisfied that payment compensates Mr K for the interest he was told by advisors at Coventry he would receive.

When Mr K spoke with Coventry's advisors to arrange closure of the Limited Access Saver (online) (8) account he was incorrectly told interest would be payable to the date the funds are transferred to his nominated account. But Coventry's since confirmed that was wrong and that interest accrues until the date the account is closed. Funds are then sent the following day. So when Mr K checked the funds received from Coventry I can understand why he was surprised and frustrated a day's interest was missing.

The refund noted in Coventry's final response includes an element to cover the extra day's interest Mr K was told his funds would receive. Coventry's confirmed that the interest accrued on the funds held in Mr K's Limited Access Saver (online) (8) account for one day come to £8.95 at a rate of 4.3%. I've looked at Coventry's calculations and I'm satisfied that's correct.

In its file submission to this service, Coventry said the refund should've totalled £68.87 but the settlement noted in its final response gave a figure of £72.65. Whilst this was a mistake, it's not been to Mr K's detriment.

Overall, I'm satisfied the interest payments Coventry has agreed fairly compensates Mr K in terms of the interest he was told would be payable on the funds saved across both accounts.

Like Mr K, I can see he was given wrong information by Coventry on several occasions. I agree that's not acceptable and that Mr K ought reasonably to have been able to rely on Coventry to answer basic questions about how interest is applied to accounts it offers. Mr K has suggested the errors indicate Coventry has been systemically dishonest. But I've not seen any evidence to show Coventry's advisors intentionally misled Mr K. I think it's more likely than not that the staff Mr K spoke with made genuine mistakes and lacked a clear understanding of how interest was applied. Whilst I understand multiple mistakes were made, I can see Coventry's final response to Mr K confirms feedback would be given to the advisors he spoke with. I think that was a reasonable approach for Coventry to take following Mr K's experiences.

In response to the investigator, Mr K said he held more than one Limited Access account with Coventry that were subject to withdrawals last year. Mr K said he's lost interest when withdrawals were made. Whilst I note Mr K's comments, the Financial Ombudsman Service can't consider complaints until a business has already had a chance to investigate and issue a final response. In this case, Mr K complained to Coventry about the Limited Access Saver (online) (8) withdrawal that took place on 13 July 2023. If Mr K wishes to raise a complaint about other accounts or withdrawals he's made they will need to be dealt with separately once Coventry has had a chance to investigate.

Coventry also paid Mr K £150 in recognition of the distress and inconvenience caused. I've read and considered everything Mr K has submitted and said about the way the issues raised have impacted him. Whilst I note everything Mr K says, I'm satisfied Coventry has already agreed a fair settlement that fairly recognises the level of distress and inconvenience caused. Coventry's settlement is in line with what I would've told it to pay, had no offer been made. As I'm satisfied Coventry has already made a payment to cover the interest it said Mr K's funds would accrue and has agreed a settlement for the distress and inconvenience caused that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

### **My final decision**

My decision is that Coventry Building Society has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 February 2024.

Marco Manente  
**Ombudsman**