

## **The complaint**

Mr S complains that Newcastle Building Society (Newcastle) failed to pay interest on his account.

## **What happened**

Mr S says that Newcastle failed to pay any interest on his account in 2022, or provide him with an interest statement. He says he raised a query about it, and they said that as the interest was less than £1, based on the terms and conditions of the account, then interest can't be paid. Mr S says that they failed to inform him that interest rolls over and would continue to accrue until the interest totalled over £1 then it would be paid to him. He says Newcastle failed to correct their initial statement, and they didn't allow him to download an interest statement. Mr S says that once he found out this information, he requested a breakdown of interest and a copy of the terms and conditions. Mr S made a complaint to Newcastle.

Newcastle did not uphold Mr S' complaint. They confirmed that if any interest payable is less than £1, they would not pay this to his requested account and the interest due will be accrued on the account and paid once the cumulative interest earned is greater than £1. They said this information is advised in the product special terms and conditions, and they enclosed a copy as requested. Newcastle said Mr S was unable to print an interest statement online for the 2022/2023 tax year as no interest was paid during that period. They enclosed a breakdown of the interest paid on his account which showed he had been paid the correct amount of interest, and the 76p interest which accrued was included in the interest payment sent to his nominated account on 14 October 2023. Mr S brought his complaint to our service.

Our investigator did not uphold Mr S' complaint. He said while Newcastle could've explained it better as to why Mr S didn't receive interest for the period he complained about, they explained this in detail when they issued their final response letter nine days after he raised a complaint. He said as for the statements, as no interest was paid, they weren't available, and they provided the 2022/2023 statement to Mr S.

Mr S asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that Newcastle gave him wrong information in the secure message they sent him, the terms weren't on Newcastle's own website, and they hadn't provided him with a copy of these when they replied to his queries.

## **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 S has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I've reviewed the secure messages that Mr S had with Newcastle. The agent responded to Mr S' query by saying *"I can confirm that the reason behind the lack of interest payment on 14/10/2021 is that, due to the interest rate decrease throughout the 2022-2023 tax year, the interest calculated amounted to under £1. As per terms and conditions when the interest calculated is under £1 the interest cannot be paid. Due to the rise of interest rates in the current tax year, your next interest payment date will be on 14/10/2023."*

Having looked at the terms and conditions – which Mr S would have needed to agree to in order to open the account, I can't conclude that the information the agent told Mr S was incorrect as when the interest is under £1, the interest cannot be paid. While the agent could have given Mr S a further explanation to say that the amount accrued would be paid once the cumulative interest balance was greater than £1, I don't find his original statement to be misleading or incorrect.

The agent also referred Mr S to the terms and conditions of the account. It is not the role of this service to tell a business to make all of the terms for all of their products available on their website. As Newcastle have confirmed that Mr S was given the opportunity to download and print a copy of these when he applied for the account online, I'm not persuaded that it would have been proportionate for the chat agent to copy the terms into the secure message without being asked for them to be sent at that point.

Mr S did ask for the terms for the account on his message on 2 November 2023, on the same day he raised his complaint. Newcastle responded to him, confirming they had noted all of his points, and the terms were sent to him with their response dated 11 November 2023.

As Mr S was not credited with interest (even though it still accrued for him), then I would not expect him to be able to access an interest statement for the 2022/2023 tax year as no interest had been credited. Newcastle did provide a breakdown of the interest with their response for Mr S though. So it follows I don't require Newcastle to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 April 2024.

Gregory Sloanes  
**Ombudsman**