

The complaint

Mr R complains about Yorkshire Building Society giving mis advice and unfairly charging him a penalty for closing his fixed rate E-ISA.

What happened

Mr R opened a Yorkshire Building Society (YBS) fixed rate E-ISA on 24 July 2023. This product had a rate of 5.1% (tax-free p.a.) and was due to run until 31 August 2024. There are two strands to Mr R's complaint. They are:

1. Mr R wished to add funds to this account and says that, after speaking to a YBS representative, he was informed this was possible. However, he discovered he couldn't do as he wanted and feels he was misadvised.
2. Due to being unable to use the account as he wanted, Mr R decided to transfer out his E-ISA funds to another provider. But he found he was charged a penalty of 60 days' worth of interest. Mr R considers this to be unfair and thinks YBS's 'Keyfacts' document to be unclear.

Mr R complained to YBS. He asked them to refund the penalty charge and provide compensation for the distress he'd experienced. However, YBS said they acted in line with the terms of the account and didn't uphold his complaint.

Mr R brought his complaint to our service; however, our investigator wasn't satisfied that YBS had made mistakes. As Mr R remains dissatisfied, his complaint has been referred to me to look at.

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.

Having done so, I'm not upholding this complaint and I will explain how I've come to my decision.

I'll focus on what I think are the important points in order to reach a final decision. But I've carefully considered all the points Mr R has made, even if I don't specifically address them all.

Prior to looking at the two strands, I considered Mr R's points about the clarity and prominence of the wording in YBS's 'Keyfacts' document. Although I think Mr R makes good points about how the document could be better designed, including font size and definition of a 'new investor', as explained by our investigator, standards on written communication are matters for the financial service regulator. However, I found the document be clear on:

- Withdrawals and loss of interest
- Being a limited-offer product, which can be withdrawn, with deposits needing to be made

- immediately to avoid disappointment
- Payments being returned after the product is withdrawn

Also, YBS sent a welcome letter which was sent to Mr R on 21 July 2023, and this said:

'If you've opened a fixed rate product it can be withdrawn from sale at any time. So the sooner you make a deposit the better as you can only pay money in whilst the account remains on sale. Don't worry if you do pay money in after it has been withdrawn; we'll return that money to you'.

So, having considered the above, I'm satisfied YBS's communications about making a deposit and withdrawal were clear.

Strand 1

Although I don't disbelieve Mr R when he says he was informed that he could add funds to his account, having reviewed the file, there is no evidence to support this. Also, this is disputed by the YBS branch. I appreciate Mr R would like to see records of conversations. Although that would be helpful where there is a dispute, considering the practicalities involved, I don't think it unreasonable for YBS not to make records.

Furthermore, as mentioned above, I'm satisfied YBS provided Mr R with information on deposits and withdrawals when he opened the account. So, considering this together with the lack of evidence of any mis advice, I'm not upholding this strand of Mr R's complaint.

Strand 2

Although I can understand Mr R's frustration at having to pay a financial penalty, as mentioned above, I consider YBS's communications to be clear. And as Mr R was provided with these when he opened the account, I think he should've reasonably been aware.

Also, file information shows that, when Mr R said he wanted to move all his funds, he was informed no withdrawals were allowed and a sixty-day loss of interest penalty would be applied as per the terms of the account.

So, I'm also not upholding this strand of Mr R's complaint.

Summary

So, having considered the above and all the information on file, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 March 2024.

Paul Douglas
Ombudsman