

The complaint

Mrs L complains that Skipton Building Society failed to follow her instruction and close her account, and failed to failed to confirm in writing her subsequent closure instruction.

What happened

Mrs L had a Skipton Building Society 120 Day Notice account and received a notice of closure, with 120 days to take action. Mrs L said she called Skipton in January 2023 and instructed the closure of her account with payment set for May 2023. She said she was told that she would receive written notification of the withdrawal four days before repayment, but she received nothing further from Skipton and no payment in May.

By July 2023 Mrs L could not see anything from Skipton and she called and was told there was no trace of her call in January 2023. Skipton said a further notice period would be required with payment set for 26 November 2023. Mrs L said it was agreed with Skipton that it would confirm her instruction by message, but nothing was received.

In September 2023 Mrs L complained to Skipton. Skipton responded with an apology for any inconvenience caused by not following Mrs L's January 2023 instructions and said it would waive the interest penalty that would otherwise be applied and offered £75 compensation.

Mrs L wasn't satisfied with this response and referred her complaint to our service. Our investigator didn't recommend that it be upheld. He said Skipton acknowledged that it hadn't set the notice period following Mrs L's January 2023 call or explained its process properly. But he thought the compensation and its waiving of the interest penalty was a fair response.

Mrs L disagreed with the investigator and requested an ombudsman review her complaint. She said waiving the interest penalty wasn't relevant as she had never requested closure of the account without the required notice. Because Skipton failed to act on her original request there should be no question of a penalty. And she said Skipton then told her there was no trace of her instructions and that she would have to give a further 120 days' notice.

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.

Mrs L is unhappy with Skipton's failure to act on her instructions and failure to communicate its process. Skipton has accepted some shortcomings in respect of Mrs L's January 2023 call and communications.

I was sorry to learn that what should have been a straightforward process to close an account has turned into a prolonged and drawn-out experience. But I am pleased that Skipton has acknowledged that errors were made and apologised to Mrs L.

It's the impact of the errors made which we consider to determine if an offer of redress from a business is fair and reasonable in all the circumstances of the complaint. The idea of redress is to put the consumer back as closely as possible to the position they occupied before the mistake was made.

I have listened to Mrs L's call to Skipton in January 2023. Skipton's call handler failed to set the notice period, but didn't tell Mrs L Skipton would tell her when the 120-day notice window was open. Skipton said its current process is for the customer to contact Skipton to obtain the funds from the account. I agree with Skipton that the notice process should've been explained better on this call.

In response to her complaint, Skipton told Mrs L it would allow her to close her account at any point without an interest penalty being applied. By waiving the interest penalty Skipton was allowing Mrs L to withdraw from or close her account as per her initial request.

I can't be certain that Mrs L still wanted to close her account as she didn't follow up on her earlier instructions and close the account and so didn't avail herself of the option offered by Skipton to avoid an interest penalty. However, I think the offer was fair and was properly explained by Skipton on its call with Mrs L in September 2023 when its call handler gave her the current interest rates and said it could arrange a product switch or she could do this at a branch.

I am not aware that Mrs L has suffered any financial loss as a consequence of Skipton's handling of her account. Skipton offered Mrs L £75 compensation for not following her closure instructions in January 2023 and I think this is fair and reasonable in the circumstances of this complaint.

If Mrs L hasn't already accepted the £75 compensation I recommend that she contacts Skipton to obtain payment.

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 Mrs L to accept or reject my decision before 5 August 2024.

Andrew Fraser
Ombudsman