Ombudsman Decision
CIFO Reference Number: 25-000415
Complainant: Mr W
Respondent: NatWest International (Jersey) Limited ("NatWest")

The Complainant, who I shall refer to as Mr W, complains that NatWest failed to set up a fixed deposit as instructed, resulting in interest not being earned as expected.

Background

In December 2022 Mr W and his wife went into his local branch of NatWest to apply to open a Cash Management Account. That account would enable them to earn a fixed rate of interest on their savings for a fixed term.

The application form included a section where the source of funds could be recorded and, if the deposit was in cash, an explanation for the deposit could be included. Mr and Mrs W did not intend to deposit cash (and in the event did not do so). That part of the application form was completed with the following note:

Customer wants to open this account to fix money and get higher interest. Customer will be fixing £148,738 when the account is open that is currently held in savings account at NatWest.

The application was accepted and the account opened on 17 January 2023. On 2 March 2023 Mr W made a branch transfer of £100,000 from a NatWest savings account into the cash management account.

In September 2025, Mr W identified that the cash management account was not earning any interest and that none had been paid since it had been opened. He contacted NatWest to ask why that was.

The bank said that it had not received instructions to set up a fixed term deposit. Mr W said that he had given instructions to invest the funds paid into the account when he and Mrs W had applied to open it.

In addition, Mr W said that NatWest had not said that it needed additional instructions to set up a fixed rate deposit, either when the account had been opened on 17 January 2023 or when funds had been credited to it on 2 March 2023. Mr W said that interest should be paid from 2 March 2023 until he noticed that none was being paid – that is, until September 2025.

NatWest acknowledged that there had been service failures and Mr W had not been told what else he needed to do to set up a fixed term deposit. It paid him £4,980, representing twelve-months' interest at a rate of 4.98% on the £100,000 transfer he made in March 2023.

Mr W was not satisfied and complained to CIFO, requesting interest to be paid for the whole two- and half-year period he had believed the fixed deposit had been in place.

The CIFO adjudicator concluded that, because NatWest had sent statements to Mr W, which he said had been misfiled by his wife, he could have noticed interest had not been earned as expected earlier than he did and acted to rectify it. She said that there was no fixed deposit contract in place between Mr W and the bank but, in any event, she felt NatWest had paid more than what she would have concluded was applicable in the circumstances and therefore did not recommend that the bank pay any more.

Mr W did not accept the CIFO adjudicator's recommendation and asked that an Ombudsman issue a Final Decision. In doing so he said that the adjudicator had not '… *commented on why NatWest did not spot that the interest had not been applied when they sent out the statements, and what they meant by ' poor service ' which to us means an admission of guilt'.*

NatWest had nothing further to add.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

The first issue which I have considered is whether Mr and Mrs W in fact gave the bank instructions to invest their funds at a fixed rate for a fixed term. I don't believe they did.

The account application which Mr and Mrs W completed in December 2022 recorded an *intention* to invest at a fixed rate of interest. But I don't believe the notes on the application represented or evidenced a clear *instruction* to the bank. No interest rate or fixed term was mentioned, and there was every possibility that either or both might change before the account was opened and funded. And the amount referred to on the application was not, in the event, the amount which was transferred to the account in March 2023.

Had NatWest treated the notes on the application form as an instruction to place funds on a fixed rate deposit, I think there would have been a strong case for saying it had acted without proper instructions.

NatWest wrote to Mr W in January 2023 to tell him that the account had been opened. That letter did not tell him what he and Mrs W needed to do if they wanted to invest savings at a fixed rate. I don't believe, however, that was an error on the part of the bank. The account could be used for other purposes – not only for fixed term deposits – and it was reasonable to expect that Mr and Mrs W knew why they had chosen it.

I do note however that, when money was paid into the account in March 2023, that was done at the branch. There was therefore an opportunity for branch staff in that situation to ask about the reasons for the transfer and, depending on the response, to ensure that customers knew what was required to achieve their aim. The bank acknowledged that and paid Mr and Mrs W £4,980 in recognition of it. That represented one year's interest on the investment of £100,000.

I have therefore considered whether that payment is sufficient to resolve the complaint or whether, as Mr W says, interest should be paid for the entire period the account was open and funded. In my view, NatWest's payment is sufficient. I make the following further comments:

- Mr W says the bank should have identified that the account was paying no interest. Banks do not, however, have any general obligation to monitor customers' accounts in the way Mr W suggests. Even if the bank had done so here, it would have found that it had no instructions about how to invest the funds in the account.

- Neither did the bank have any duty to check whether the funds could be invested more effectively. It had not agreed to provide financial advice to Mr and Mrs W.

- Mr W has acknowledged that he received statements for the account, and that they would have shown that no interest was being paid. They were, however, overlooked. I do not accept that, as Mr W says, NatWest should have reviewed those statements when he and Mrs W did not.

- Mr W has noted that NatWest has apologised for the service he received. He says this is an admission of liability. I am afraid I do not agree. Rather, I think the bank did so as a matter of courtesy.

- Even if the bank's apology is an admission of some failings, it is not an acceptance of Mr W's claim to be entitled to interest for the whole time the account was funded.

In summary, therefore, I agree with the CIFO adjudicator's conclusions, and I also do not require NatWest pay anything further.

Final Decision

My final decision is I uphold the complaint in part but do not require NatWest take any further action in relation to this complaint.

Mike Ingram
Ombudsman

Date: 26 January 2026