

## The complaint

Mr M complains about the way Nationwide Building Society handled his application to transfer money to one of its Individual Savings Accounts (ISA). He says Nationwide's poor handling of it meant he wasn't able to access his money and invest it elsewhere – and so, he's lost out financially as a result.

## What happened

- In May 2021, Mr M applied to transfer funds to a Nationwide ISA from his existing ISA provider.
- The Nationwide account was a 1 Year Triple Access Online ISA which allowed funds to be withdrawn up to three times in the first year before a lower interest rate would be applied.
- Mr M says he chose this particular ISA for its flexibility as he wanted to be able to access the money to reinvest it, use it towards reducing his mortgage, or purchasing a new car.
- Mr M says he was repeatedly told the application would be completed shortly, and so he held on thinking it was imminent. But in July 2021, Mr M complained to Nationwide about the time it was taking.
- Nationwide responded in September 2021. It apologised for the time it had taken and explained it had submitted another application on Mr M's behalf. It paid Mr M £200 compensation for the difficulties he'd experienced and reimbursed him for the telephone call costs he'd incurred whilst chasing up the matter.
- The application was completed in October 2021.
- Mr M brought a complaint to this service because he doesn't feel the compensation reflects the difficulties he experienced or the financial gains he says he's lost out on as a result of Nationwide's handling of his ISA application.
- Our investigator considered the complaint. He agreed Nationwide could have handled his application better. He explained that while this service can't make awards for potential lost financial gains, we can consider the upset caused by a lost opportunity to use the funds as desired.
- Overall, however, he thought £200 was fair in the circumstances.
- Mr M disagreed and so the complaint has been passed to me for a decision.

On 26 January 2022, I issued a provisional decision in which I said:

*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 intend to uphold this complaint and I'll explain why.*

*Neither party disputes the circumstances of this complaint, and from what I've seen it's apparent Nationwide took an unreasonable amount of time to process Mr M's ISA transfer. I say this because ordinarily Mr M could have expected the transfer to have been completed within a couple of weeks. So, for it to have taken five months goes far beyond what I would consider to be a reasonable amount of time.*

*I recognise Nationwide has said it agrees the application didn't progress as it should have done – for reasons which were seemingly in its control - and so, it has paid £200 compensation to reflect the trouble Mr M experienced. I also note Nationwide has agreed to back date the interest to May 2021 therefore, putting Mr M back in the position he would have been in had the application been completed as expected.*

*However, Mr M thinks he should be compensated for money he says he's lost out on as a result of not being able to access his money and reinvesting it elsewhere. I should explain that our investigator was correct in saying that we can't consider financial loss which is unknown or speculative. Whilst I am persuaded Mr M intended to access his money – because he chose an ISA which gave him the flexibility to do so - I haven't been provided with evidence which shows he had specific plans for how he was going to use the money and how he'd derive a financial gain from it. Mr M has instead given multiple examples of how he might have used the money. For example, he said he might have put it towards paying off his mortgage or buying a new car – but both of which would have depreciated his funds. He's also mentioned potentially investing into another ISA or crypto currency. But there's no guarantee the latter would have resulted in a financial gain. Based on this, I can't reasonably determine what financial gain – if any – Mr M would have benefitted from had Nationwide handled his ISA application as it should have done.*

*I've thought about whether Mr M could have done anything to mitigate his position during this time. From what I've seen the only way Mr M could have accessed the funds was if he'd chosen to opt out of the ISA transfer system and receive a cheque from the previous ISA provider. But doing so would have meant losing the benefits which come with doing an ISA transfer through the system – namely, being able to transfer more than the tax year's limit (£20,000) into a new ISA. As Mr M's was seeking to transfer approximately £50,000, I can understand why this wasn't an attractive option for him.*

*As I've said above, I am persuaded that Mr M intended to do something with the funds – and that he was likely to have done this prior to October 2021. This wasn't a small sum of money and Mr M had the inconvenience and distress of not being able to access and manage his money for a period of five months. So, with this in mind, I'm persuaded Nationwide needs to pay more compensation to recognise the upset caused to Mr M – and I consider £500 to be a reasonable amount in the circumstances. For clarity, this amount includes £200 compensation already paid to Mr M but excludes the money he was reimbursed for the telephone call costs.*

### **My provisional decision**

*My provisional decision is that I intend to uphold this complaint and direct Nationwide Building Society to pay Mr M an additional £300 compensation.*

*Nationwide Building Society must pay the compensation within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this, it must also pay*

*interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.*

Both parties responded to my provisional decision. Nationwide said it had nothing further to add. Mr M agreed with the outcome I'd reached.

### **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 uphold this complaint for the same reasons set out above in my provisional decision.

### **My final decision**

My final decision is that I uphold this complaint and direct Nationwide Building Society to pay Mr M an additional £300 compensation.

Nationwide Building Society must pay the compensation within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 March 2022.

Nicola Beakhust  
**Ombudsman**