

The complaint

Mr J has complained about the delays he's experienced in trying to arrange for his ISA account to be transferred away from Scottish Widows Schroder Personal Wealth Limited (Schroder). He is also unhappy that he's had to send a great deal of correspondence to remedy the situation.

What happened

Mr J holds a portfolio account with this wife within which Mr J holds a stocks and shares ISA. The administration of the account was taken over by Schroder in June 2019. In September 2019, Mr J requested transfer of his ISAs to another product provider who I'll refer to as 'Company A' after he was told his portfolio account with the business would be closed.

Schroder acknowledged the transfer and sent Company A, a cheque for the proceeds of the ISA on 7 October 2019, but this was subsequently returned to Schroder as there was a discrepancy between the value of the cheque and the amount expected.

Schroder told Mr J that the transfer was completed in November 2019, but it wasn't until May 2020 that Schroder realised it had overlooked sending a replacement cheque. It finally sent this on 12 May 2020, at which point the transfer was completed.

During this period, Mr J sent a great deal of correspondence relating to the delay. Unhappy with the events that had taken place, Mr J raised a complaint. He raised concerns about the length of time taken for Schroder to complete the transfer, the numerous letters he'd sent to deal with the delay and that many of those letters weren't answered.

Schroder accepted that the ISA transfer hadn't been carried out in line with its standards, so it looked into whether Mr J incurred an investment loss because of the delay. It calculated that he was over £3k better off by having been disinvested between October 2019 and May 2020, but it accepted that it had caused distress and inconvenience during that period, so it offered to compensate £400.

Mr J then referred the complaint to this service. An investigator looked into their complaint. He found Schroder's handling of the ISAs to be lacking but he thought its offer of compensation of £400 was fair in the circumstances.

Because Mr J didn't agree with the investigator's assessment, the complaint has been passed to me to decide.

Mr J and his wife have also raised a number of issues relating the handling of their ISA accounts, some of which took place prior to Schroder taking over the account and others which concern the attempted transfer of their ISAs to providers other than Company A. I should clarify that those complaint points are being considered separately at this service and have not been formed part of this decision.

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.

I have reviewed the evidence in full but given the parameters of this decision, I've limited my comments to whether Schroder has treated Mr J fairly when it dealt with the transfer of his ISA to Company A.

HMRC guidelines for the transfer of a stocks and shares ISA are that they should be completed within 30 days. Looking at a timeline of the events that took place, it's clear these guidelines were exceeded here - Schroder made an error in that it failed to issue a replacement cheque after it was returned, and when it realised its error, almost 7 months had passed.

It's very clear from Mr J's submissions, and the documents he has provided that his experience with Schroder has been challenging and caused him frustration. Mr J suffered significant delays throughout – from his initial request to transfer the account in October 2019 through to trying to get the actual transfer completed in May 2020. Though Mr J hasn't suffered a monetary loss (he was out of the market whilst awaiting the transfer which meant he was approximately £3,250 better off than had he remained invested), I can see that this caused upset for him. Like our investigator I believe that Schroder could have provided a better standard of service.

Schroder accepts it needs to compensate Mr J, and has agreed to pay £400. So, my task now is to say whether I think this is enough, or whether I agree with Mr J that such has the impact of Schroder's service been on him to this point, that £800 is a fairer sum. I've looked at all of the evidence, but I agree with the investigator that the offer of £400 is fair in the circumstances. As Mr J may be aware, this service isn't here to punish businesses. What we do is try to find a fair resolution to a dispute. This sometimes this involves a compensation payment. These payments are to reflect the impact of a business's mistake on, or poor treatment of, a customer, with a view to trying to put them back into the position they'd have been in had it never happened.

Mr J's view that he should be compensated for the time he has spent with the number of letters he has provided to Schroder. I recognise Mr J dedicated a significant amount of time on letters to Schroder and I can see he genuinely felt this was needed. I've taken into account all of the effort he went to and can appreciate why he felt it necessary to send multiple letters, but I don't think this actually helped him get the answers he was looking for quicker. In sending letters to several people, this led to uncertainty on what needed to be responded to especially where complaint points were added to, reiterated or overlapped. Taking everything into account, I believe £400 is appropriate for the inconvenience caused by of Schroder's handling of the ISA transfer and its varied responses.

My final decision

Scottish Widows Schroder Personal Wealth Limited has already made an offer to pay £400 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Scottish Widows Schroder Personal Wealth Limited should pay £400 to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 November 2022.

Farzana Miah
Ombudsman