

The complaint

Miss I has complained about the actions of Financial Administration Service Limited (FASL) in relation to the transfer of her stocks and share individual savings account (ISA). She feels FASL hasn't acted professionally and unnecessarily delayed the transfer causing her to suffer financial loss.

What happened

Miss I held an ISA with FASL for some time. In September 2020 she decided to transfer it, in specie, to a different business. I will refer to that business as Business B. FASL received the transfer request form from Business B on 28 September 2020 and apparently a call took place with Miss I where FASL explained the process would take around 6-10 weeks to complete.

On 6 October 2020 FASL provided details of the funds and assets Miss I held to Business B. FASL has said no response was received by Business B until 4 November 2020. However, Miss I had continued to trade within her ISA after requesting the transfer therefore the funds she held on 4 November 2020 didn't match those on the transfer application. As a result the transfer request was rejected and a new one had to be submitted. FASL say it received this on 10 December 2020 from Business B.

What happened after this point until the transfer was completed in April 2021 isn't entirely clear. From the information Miss I has provided it appears that FASL was requesting information and confirming details via an automated transfer system but Business B didn't have access to that at that point in time so FASL believed Business B wasn't responding. There were also issues like a postcode mismatch and some issues with some of the stock involved in the transfer.

The transfer was finally completed on 30 April 2021.

FASL offered Miss I an amount of money for the delays in it responding to her complaint. Also, after investigation it accepted that it had delayed the transfer process between 10 December 2020 and 8 January 2021 so offered a further amount of money totalling £100. Miss I wasn't happy with this so brought the complaint to this Service. It was assessed by one of our investigators who felt the complaint should be upheld due to the delays and misinformation FASL had provided to Miss I. She felt a further £100 should be awarded to Miss I along with a refund of the service fees she was charged for the time she should already have been moved out of the ISA.

Miss I didn't agree with the assessment. She felt the investigator hadn't addressed her complaint fully and disagreed with the amount of redress the investigator had recommended.

As no agreement could be reached the complaint has been passed to me to decide.

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 think the complaint should be upheld but I agree with the suggestion made by the investigator – that a further £100 plus a refund of the service charges fees should be paid to Miss I.

Firstly, it's important to point out that Miss I has only raised a complaint with us about one of the parties involved in this transfer. She did complain to Business B and I know a sum of money was offered to her after Business B accepted it had delayed her transfer by forty-six days, but I haven't been told where in the timeline these delays occurred.

Having looked at the information I do have, I think the transfer took too long and I do think FASL caused some delays to the transfer too. I agree it was correct in rejecting the initial transfer due to Miss I's trading however even after this point I think the process was too long. FASL has accepted it delayed for a round a month so therefore I can say with some certainty that some of the delays were due to lack of progress from FASL.

I have also seen that some of the delay was due to an automated transfer system being used by FASL as it appears Business B did not have access to this system until February 2021. As a result of this, there were points where FASL was expecting responses from Business B to appear on the automated system but Business B had sent them via post and/or email. Therefore, as FASL was only looking in one place it had presumed business B just hadn't responded.

I don't think the effect of this can be attributed solely to one party. It is frustrating but unfortunately not unheard of as transfers of ISA and the methods used are not yet standardised across the industry.

Having said that I do think FASL could have done more to chase Business B which would have led to it being told Business B wasn't able to access the automated transfer system. Overall, the transfer did take too long and I am of the view that this was in part due to the actions, or inaction, of FASL.

I know Miss I has said she lost out on crystallising the value of her ISA in February 2020 but in my view, this is due to her trading after she requested the transfer. If she hadn't done this it's very likely the transfer would have been completed by February 2021. However, the process had to be started all over again due to her trading. So having resubmitted the request on 10 December 2020, given the time frame for the transfer I can't say with any certainty that the transfer would have been completed by the best crystallisation date in February, even if delays by FASL between 8 December 2020 and January 2021 hadn't happened. So I don't think FASL needs to do anything about this.

However, I do think the delays by FASL must be recognised sufficiently and while FASL did offer some compensation I don't think this was enough. But bearing in mind that this Service's awards in circumstances like this are usually modest I agree with the investigator's view that a total of £200 must be paid to Miss I by FASL (which includes the original offer) along with a refund of the fees Miss I was charged during the time when Miss I should have actually been transferred away from FASL.

Putting things right

FASL must pay Miss I a further £100 along with a refund of the fees she was charged when she should have already transferred away from FASL.

My final decision

My final decision is that I uphold the complaint and direct Financial Administration Services Limited to pay Miss I redress in accordance with what is outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 1 December 2022.

Ayshea Khan
Ombudsman