

## **The complaint**

Mr B complains that Yorkshire Building Society (YBS) made a mistake when he requested to transfer funds from his Cash ISA which resulted in him suffering a financial loss as well as distress and inconvenience.

## **What happened**

Mr B asked to transfer £10,000 from his YBS Cash ISA to his share ISA account at another bank. But YBS transferred all of the funds and then closed his Cash ISA. He says that there were several weeks when he didn't know where his money was and that YBS kept changing its plan to rectify the situation. YBS offered Mr B £300 which he accepted on the basis this was for the distress he had been caused and that he would pursue a claim separately for his financial loss. He says that his intention was to transfer the £10,000 to his share account to purchase shares and that due to the delays caused by YBS he wasn't able to take full advantage of an opportunity which he calculated caused him a financial loss of £1,110.

YBS said that Mr B requested a partial transfer from his Cash ISA to an account at another bank. However due to human error a full transfer took place with a cheque for the full amount of Mr B's funds (over £90,000) being sent to his bank on 8 February 2021. It wrote to Mr B to confirm the transfer and when Mr B contacted it on 12 February it acknowledged its mistake and confirmed this would be rectified. YBS contacted the other bank on 15 February but the cheque couldn't be stopped. It took steps to chase the return of the excess funds and this happened on 12 March 2021. It says that Mr B would have been in receipt of the funds in his other bank account from the latest 15 February and so could have invested the £10,000 at that time had he wished. It confirmed it had applied an interest adjustment to reflect the time the funds were out of Mr B's Cash ISA. It considered its offer of £300 compensation was reasonable.

Our investigator thought the £300 offered by YBS was a reasonable resolution to this complaint. He noted the distress that Mr B experienced by not being aware of where his money was for around three weeks and he thought the £300 offered was reasonable redress for this. He understood Mr B's rationale for his calculation of the financial loss but didn't think he could hold YBS responsible for this.

Mr B asked that his complaint be reviewed by an ombudsman. He accepted that there was some grey area in the calculation of the loss which is why he said he had agreed to accept a lower loss figure of £500. He didn't think it fair that YBS paid nothing for the financial loss.

## ***My provisional conclusions***

I issued a provisional decision on this complaint. I concluded in summary:

- YBS accepted it had made a mistake. We would expect it to take steps to put Mr B back in the position he would have been had the mistake not been made and, if appropriate, pay him compensation for the distress and inconvenience he had been caused. YBS returned the excess funds and made an interest adjustment to reflect

the situation had the excess funds not been transferred. I found this put Mr B's Cash ISA account back in the position it would have been had the mistake not been made.

- The process of rectifying the mistake took time (funds transferred on 8 February and excess funds returned on 12 March). While Mr B was told the situation on his account would be rectified I understood that this issue caused him distress and inconvenience as there wasn't a clear timescale provided. YBS paid Mr B £300 for the distress and inconvenience he was caused, and I thought this was reasonable.
- Mr B said he lost out financially by not being able to make his share purchases on receipt of the funds to his Share ISA account. YBS noted that the funds would have been in Mr B's ISA Share account with his bank at the latest on 15 February and so Mr B could have used £10,000 of the transferred amount to make his share purchase at that time. However, YBS' contact notes showed that on 22 February Mr B was told that the whole amount of the transfer was to be returned to his YBS account and then the £10,000 re-issued. So, I thought it reasonable that Mr B considered the funds unavailable as they may have still been recalled. I didn't find evidence that he was then told that only the excess funds would be returned and so I accepted that he wasn't in a position to make the £10,000 of share purchases until the issue had been resolved on 12 March.
- Mr B was transferring funds from a Cash ISA at YBS to a Share ISA at another bank. I thought it reasonable to accept that he was making the transfer in order to purchase shares and this was supported by the statements for this account which showed a small amount in cash and the rest in shares.
- Mr B said that he intended to invest the £10,000 in his portfolio and provided valuations from 18 February and 4 March 2021 showing a rise in the value of the portfolio. I noted that it could be argued as to whether this was a reasonably foreseeable loss. It was possible Mr B would have invested in a subset of the portfolio that may not have risen in value and the dates of the valuations didn't exactly match the dates of when the funds were available. Because of this I didn't find I could determine the loss with any certainty.
- But, based on the information provided, I found it more likely than not that Mr B would have invested the £10,000 once the cheque had cleared had this issue not arisen and based on the information it was more likely than not this would have given him an opportunity to increase the value of his portfolio. Because of this I thought compensation of a further £500 was reasonable in this case to reflect Mr B's disappointment and loss of opportunity arising from this issue.

Both parties accepted my provisional 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.

As both parties accepted my provisional decision, my conclusions haven't changed. I think YBS should pay Mr B an additional £500 compensation to reflect the disappointment and loss of opportunity arising from his funds not being available for him to invest as he wished due to the mistake made when the funds were transferred and the time taken to resolve this.

**Putting things right**

YBS should pay Mr B an additional £500 compensation (additional to the £300 already paid) to resolve this complaint.

**My final decision**

My final decision is that Yorkshire Building Society should take the action set out above, as it has agreed, in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 July 2022.

Jane Archer  
**Ombudsman**