

The complaint

Miss O complains about delays Vanguard Asset Management Ltd caused while dealing with her stocks and shares ISA transfer causing her a financial loss.

What happened

Miss O says she submitted an ISA transfer form to her previous ISA provider in October 2020. She says she specifically asked for transfer of her stocks and shares and not her Lifetime ISA. She said she was told to transfer her stocks and shares to cash in order to speed up the transfer to Vanguard and did this so the cash was ready to be transferred. She says she repeatedly informed Vanguard that only the stocks and shares part of the ISA would be transferred and not the Lifetime ISA.

She says, Vanguard treated her request as a transfer of both her ISA's instead of just the stocks and shares ISA. She says this came to light when she called for an update and has had to repeat the request numerous times. She says she was informed the transfer would take 15-30 business days which would mean the transfer should have been completed between 19 November and 10 December 2020. However, in mid-November she was told Vanguard were still waiting for identification documentation which she says had already been sent a week prior. Her ISA transfer was rejected on 22 November 2020 and she was told her previous provider informed them she no longer wished to proceed with the transfer. She says she gave no such instruction so her ISA transfer request was resubmitted on 3 December 2020 and was told this would take 10-14 working days to complete so would have completed by 29th December 2020.

This delay meant the transfer didn't complete until 19 January 2021 after payment was received from the previous provider - around 56 working days later. Because of the time it took to arrange the transfer, Miss O says she was unable to invest her money as planned and lost out on trading opportunities. To put things right, she would like Vanguard to pay her anticipated losses which she calculates to be between £555 and £1300.

She complained to Vanguard in January 2021. They said there is no way to be sure what investments Miss O would have made so could not say she had actually suffered a loss. They accepted the delays they'd caused and the incorrect information they'd given her so offered her £300 in compensation. She felt this didn't adequately resolve her complaint, so asked us to consider this.

An investigator at this service considered the complaint and said she couldn't say for sure that Miss O had suffered a loss as a result of the delays. The investigator agreed with Vanguard that Miss O should be compensated for the delays, but as no financial loss has been incurred, this part shouldn't be upheld. She agreed that Vanguard's offer of £300 compensation was fair and didn't think they had to do more.

Miss O didn't agree with the investigators findings and so this has come to me for a final 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.

Having done so, I have come to the same conclusion as the investigator and for broadly the same reasons.

Both parties accept delays occurred in transferring the ISA from the previous provider and that Vanguard are responsible for these delays. It is also accepted that Vanguard gave Miss O incorrect information in relation to the previous provider withdrawing the transfer request. These points are not in dispute by Vanguard.

What hasn't been established is whether Miss O incurred a financial loss as a result of the delays. Vanguard say she hasn't actually suffered a loss, she claims for loss of trading opportunity, but they could not say for sure where Miss O would have invested the funds, if at all. They don't believe they should have to pay additional compensation to Miss O when she hasn't suffered an actual loss.

I agree with Vanguard. From the evidence I've seen, Miss O hasn't told them that she was looking to invest her money in a particular trade or was subject to a specific deadline for investing. This isn't mentioned in any phone call or email communication and I think any comment on what she would have invested in is purely speculative with the benefit of hindsight. Given the importance she places on the need to have the transfer completed on time, I would expect the urgency of this would have been mentioned at some point but that hasn't happened here. So, this leads me to conclude Miss O wasn't clear on what she was going to invest in, if at all. I'm also not persuaded that she has in fact suffered any loss as a result of the delays and won't be asking Vanguard to compensate this element of her complaint.

Putting things right

I appreciate the whole experience would have been particularly stressful for Miss O particularly due to the delays she encountered. However, I have looked at what has happened between both parties and agree with the resolution Vanguard have suggested – to pay Miss O £300 in compensation. I think this amount is in line with the kind of compensation we would expect a business to pay for the delays that have been caused here. I know she will be disappointed with my decision, but I can't fairly say that they should pay more as Miss O hasn't actually suffered any financial loss as a result of their actions.

My final decision

For the reasons given above, I uphold this complaint against Vanguard Asset Management Ltd. They should pay Miss O £300, if this hasn't been paid already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 12 July 2022.

Naima Abdul-Rasool
Ombudsman