



## **The complaint**

Mr L has complained about the delays in transferring his Individual Savings Account (ISA) away from a business that has recently been acquired by Metro Bank PLC (Metro Bank).

## **What happened**

Metro Bank acquired the business of RateSetter and its liabilities since Mr L brought his complaint to this Service. However, for ease of reference I've referred to RateSetter throughout my decision.

Mr L held an ISA with RateSetter and in early 2021 he was notified that Metro Bank had acquired RateSetter's business and his account would need to be closed.

Mr L decided to transfer his ISA to a different business which I will refer to as "Firm A". He completed a new account form with Firm A on 2 April 2021.

On 16 April 2021 RateSetter received the transfer out request from Firm A. It had requested the funds be sent to it by cheque, however RateSetter has said it didn't have the ability to issue cheques for transfers and this needed to be done by bank transfer. However, there were some problems when RateSetter tried to do a transfer of the funds, mainly involving getting the correct banking information from Firm A.

Over the next few months there were several attempts to transfer the funds that all failed.

Eventually the funds were received by Firm A on 12 May 2022.

However, in early August 2021 Mr L lodged a complaint with RateSetter regarding the length of time that the transfer was taking to complete.

RateSetter advised that it had made several attempts to transfer the funds and the delays were caused by Firm A failing to provide its correct bank details.

Mr L wasn't satisfied with this and so brought the complaint to our service.

A separate complaint was lodged by Mr L against Firm A as well and this has been dealt with under a different complaint with our service.

The complaint was reviewed by one of our investigators who agreed that while the main delays hadn't been caused by RateSetter it had contributed to the overall delay in some instances. She felt that a payment of £100 was fair to acknowledge this inconvenience it had caused Mr L.

RateSetter disagreed with the outcome stating it had done all it could to chase the correct details from Firm A and it remained of the view it had not contributed to the delay in the transfer.

As no agreement could be reached the matter has been passed 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 agree with the outcome reached by the investigator.

Looking at all of the information that has been provided to me I can see that there were multiple occasions when RateSetter chased Firm A for its bank details ranging from when Mr L first submitted the transfer request in April 2021 and August 2021. And on 4 August 2021 I've seen that RateSetter received a letter from Firm A dated 27 July 2021 confirming the correct bank details to use and also the correct reference to be used for the payment.

Following this letter RateSetter attempted to make payment to Firm A on 10 August 2021. Initially the payment appeared successful and RateSetter emailed Mr L to confirm the transfer was now completed. But the payment was later returned to RateSetter.

RateSetter has provided a copy of the payment instruction of 10 August 2021 and I've noted that the payment reference it used was incorrect and missing one digit. Looking at the letter sent by Firm A of 27 July 2021 I can see it was clear that the 9-digit reference was needed in order to allocate the payment once received on its side. As Firm A received the payment with the incomplete reference it couldn't be allocated, and it was returned to RateSetter.

After this payment was returned, I've seen further communication between RateSetter and Firm A trying to again clarify the correct details for payment. On 18 November 2021 Firm A emailed RateSetter to confirm the bank account details and again requested that the 9-digit reference is used as the payment reference. RateSetter replied to this email saying that it didn't have the 9-digit reference and that it only had the old account reference Mr L had used on his initial transfer application form beginning TON.

RateSetter didn't get a response to the request for clarification regarding the reference number, but as already mentioned it had previously received this information in the 27 July 2021 letter. So it appears that RateSetter did have the account number that needed to be used as reference, and it could have attempted payment again at this time.

Before finalising this decision, I asked RateSetter for its thoughts on the above two instances. It replied saying that when it made the payment in August 2021 it wrote to Firm A confirming the reference used for the payment was the one beginning TON. However I've seen that on 1 July 2022 when replying to our investigator RateSetter confirmed it used the 9-digit reference and included its back-office printout of the payment details and here the reference was missing the first digit of the 9-digit reference.

Regardless, it is evident that Firm A sent the correct details and reference to be used in its 27 July 2021 letter. And if RateSetter used the TON reference as it has now stated when making payment on 10 August 2021 it had ignored the information provided by Firm A.

RateSetter has also stated with the November 2021 payment attempt the adviser couldn't locate the 9-digit account number, but again this was provided in the letter of 27 July 2021 so the information was available. It seems that RateSetter had not taken the necessary action to update its internal information to reflect this, requiring unnecessary further emails and time to gain information already in its possession.

So, in my view RateSetter also contributed to the delays as it had two different opportunities where payment could have been successfully completed earlier than when it finally was.

The financial loss Mr L suffered because of the delays has already been considered against Firm A under that complaint, and so I am not commenting on or making an award for this aspect of the complaint.

I've considered how Mr L has explained he needed to constantly chase both businesses to try get the transfer finalised. The length of time the transfer took also added to his frustrations he experienced.

So in this instance I agree that the £100 suggested by the investigator is fair level of compensation to acknowledge the inconvenience RateSetter caused Mr L with its contributions to the delays in transfer.

### **Putting things right**

Metro Bank PLC, now responsible for RateSetter, must pay Mr L £100 in recognition of the delays it caused to the transfer his ISA.

### **My final decision**

My final decision is that I uphold this complaint and direct Metro Bank PLC to pay Mr L the compensation amount as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 February 2023.

Ayshea Khan  
**Ombudsman**