

The complaint

Mrs E complains that Paragon Bank Plc (Paragon) failed to complete her second ISA transfer and failed to adequately notify her that further action needed to be taken.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision issued on 18 October 2022. In my provisional decision I explained how I intended to resolve the complaint. I said:

The details of this complaint are well known to both parties, so I won't repeat them again here. Paragon Bank Plc has accepted our Investigator's opinion, but Mrs E has disagreed. She maintains that Paragon Bank Plc should have been clearer in its messaging about the failed transfer, and that it was reasonable to assume from its update that it would continue to try and complete the transfer without Mrs E's intervention. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

What I've provisionally 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've reached a different opinion to our Investigator for these reasons:

- *On the evidence, I'm not convinced that Paragon was clear enough in its update about the status of both transfers – I think it's reasonable for Mrs E to have taken from Paragon's email that no further action was required.*
- *I say this because there was no differentiation or descriptors to make it clear that individual transfers were being discussed, and the email ended with confirmation that another attempt would be made.*
- *But I'm not convinced that even if Paragon had correctly updated Mrs E the end result for the transfer would have differed – the first transfer started the funding period for the account which ended only a day before the second transfer could even have possibly begun. In short, I'm not satisfied that even if everything had gone correctly the second transfer would've completed in time.*
- *But regardless of this, I do think that Paragon need to do more to acknowledge the impact had on Mrs E – it would've been understandably frustrating to find that the account was waiting for further action from her, I don't think the £15 offered is a fair and reasonable recognition of this.*
- *To award any compensation I'd need to be satisfied that the impact of Paragon's error was greater than just a minor inconvenience or upset. And it's clear that this is the case – Mrs E was understandably upset to find that the transfer had been waiting for further action from her, and the subsequent rush to try and resolve the matter would've been upsetting. Equally, I must be mindful of the fact that the transfer would not have had sufficient time to complete regardless of the mistake Paragon made.*
- *I think that in the circumstances, a payment of £100 in total would be a fairer reflection of the distress caused.*

I intend to say that Paragon should pay Mrs E £100 in total to acknowledge the impact its mistake has made.

My provisional decision

For the reasons I've explained, I intend to say that Paragon Bank Plc should pay Mrs E £100 in total to resolve the complaint.

I asked for both parties to provide me with any further submissions they had before I issued my decision. Mrs E accepted my findings, whilst Paragon provided further comments. I've carefully considered the further representations made.

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.

Paragon accepted its correspondence had caused confusion but felt that £50 instead of £100 would be the most proportionate resolution considering its errors had likely not resulted in a change to the result of the transfer.

I've considered this carefully. As mentioned in my provisional decision, regardless of the likely result it would've been understandably frustrating for Mrs E to find that her account had been awaiting further action. Paragon's communication had raised her expectations to believe another attempt was being made on her behalf. The subsequent rush to then try and resolve the matter in time, when the communications could have instead explained the next steps needed to be taken, also clearly impacted Mrs E and could have been avoided.

This impacted Mrs E regardless of the likely outcome of the transfer. I'm satisfied a total of £100 compensation appropriately recognises the impact caused by Paragon's errors and is fair and reasonable compensation for this complaint.

Putting things right

Mrs E has confirmed she deposited the £15 cheque previously offered by Paragon, so to resolve the complaint Paragon Bank Plc should pay Mrs E a further £85 to bring the total compensation paid to £100.

My final decision

My decision is that this complaint should be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 29 December 2022.

Paul Clarke
Ombudsman