

## The complaint

Mr H complained about the service provided by Nationwide Building Society. He said he applied for a transfer of his stocks and shares ISA with a third party to a Nationwide cash ISA but this was not carried out. Mr H said Nationwide's failure to carry out the transfer has meant he has incurred investment losses.

## What happened

On 23 May 2022, Mr H said he applied to transfer a stocks and shares ISA from a third party to a Nationwide cash ISA. He said he put forward his request using online forms.

Mr H said he received confirmation from Nationwide on 24 May 2022 that his application has been reviewed and confirmed and that the funds would be requested from the third party. He said he then received a text message from Nationwide a day later, asking him to call it. Mr H said he called Nationwide, and it confirmed that because he was looking to transfer a stocks and shares ISA that it wasn't sure if it had all the required information. Mr H said Nationwide told him that if it didn't that someone would call or leave a message with him.

Mr H said Nationwide didn't call him or leave a message so he felt the transfer would go ahead at this point. Mr H then contacted Nationwide on 13 May 2022 as he had not heard anything. He said Nationwide told him that it didn't initiate the transfer because it was waiting on him to return some forms, as it needed further information from him. Forms, Mr H said he didn't receive.

Mr H said at this point, that he could see the value of his stocks and shares ISA had fallen and believes that the investment losses he incurred would have been avoided if Nationwide had carried out the transfer as he had instructed on 23 May 2022. He made a complaint to Nationwide about this.

Nationwide replied to Mr H and said it sent a text message to him on 25 May 2022 as there was a problem with the ISA transfer. It said the advisor that Mr H discussed this with on that date, had told him he would send a request to the ISA team to follow things up with him. The advisor told Mr H that someone would either send a message or leave one to discuss.

Nationwide said on 27 May 2022 it sent a letter to Mr H to say the ISA transfer was rejected. It said it did this as Mr H had completed the wrong form. It said it included with its letter new ISA forms for Mr H to complete and said it sent it to the address that Mr H had provided. It said it recognises it mismanaged Mr H's expectations by advising a message would be sent to him confirming an update. It said, instead it sent a letter as it needed to send new forms to Mr H anyway. But it said, it could see that it didn't do what it said it would do here, so it offered Mr H £40 compensation for this. It said it wasn't responsible for any investment losses as Mr H had completed the wrong form and it had to cancel the transfer. And Mr H had not sent in the new forms or resubmitted his application.

Mr H wasn't happy with Nationwide's response and said he didn't receive the letter or forms that it had referred to. Mr H didn't accept Nationwide's offer of £40. He referred his complaint to our service.

Our investigator looked into Mr H's complaint and didn't recommend that it be upheld. They said Nationwide didn't need to do anything else. They concluded this as they felt after reading all the documentation that Mr H had completed the incorrect forms. They said when Nationwide was made aware of this, it cancelled the transfer and provided Mr H with the correct forms. They then said Nationwide provided guidance on the website as to what was needed to complete a transfer involving a stocks and shares ISA and that not following this was Mr H's error. They did agree that Nationwide's offer of £40 for not responding in the way it said it was going to, was fair and reasonable.

Mr H didn't agree. He said he completed the forms correctly and any issue with the process lies with Nationwide. He said Nationwide twice informed him that it had all the information it needed to make the transfer. Mr H said when a business makes an error, they are liable to repay for any financial hardship, as is the case here with Nationwide.

He asked for an ombudsman review and so his complaint comes 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.

I do not think Nationwide needs to put things right, anymore than what it has already offered.

These are my findings that explain why:

- Mr H said he applied for a transfer of a third-party stocks and shares ISA to a new cash ISA account with Nationwide online on 23 May 2022. He said he received confirmation a day later that the transfer would go ahead. Mr H said he was notified a further time on 25 May 2022 that the transfer would go ahead.
- Nationwide have said that it sent Mr H a text message and then discussed the transfer with him on 25 May 2022. It said it did this as Mr H had made a mistake within his online application. Its advisor put in a request to its ISA team to deal as he was not sure it had all the required information.
- I've listened to the phone call between the parties that took place on 25 May 2022. Mr H and the advisor first discussed the mistake on the form that Mr H had made. Then Mr H informed the advisor that he was looking to transfer from a stocks and shares ISA. It was at this point the advisor said he would put in a request to the ISA team to deal with as he was not sure it had all the required information.
- Mr H said towards the end of the call "So based on what you are seeing is it possible for them to process the transfer with the information provided?". The advisor from Nationwide said "I'm not sure, because the stocks and shares ISA is different to a normal ISA, so I'm not 100% sure.... I don't want to give you the wrong information". So, after listening to this call, I don't think Mr H was told the transfer would go ahead. I don't think Mr H would've got any assurance about it

happening either. Instead, I can hear the advisor saying he would put in a request for someone at its ISA team to look at.

- Nationwide said it sent out a letter to Mr H two days later saying it had cancelled the transfer. Nationwide has told us this is because Mr H had provided the wrong form and details online. Nationwide also sent out new forms along with its letter and requested Mr H complete and send them back. Mr H says he didn't receive the letter or new forms.
- Nationwide has provided a screenshot of its system. On the screenshot is a note where it says it generated a letter and sent out forms to Mr H. Nationwide has also provided a letter with Mr H's address on it, that it says it sent to him. I can't be sure what has happened here and it maybe that the letter and forms were misplaced in transit to Mr H's address. But if this was the case, I can't hold Nationwide responsible for that. In addition, I am persuaded by what Nationwide have sent me, that more likely than not it sent them to Mr H. So, on balance, I think Nationwide tried to contact Mr H on this date and provide new forms to him, to apply again for a transfer.
- I also heard the advisor from Nationwide say to Mr H that it would message him or leave a message. Nationwide says it recognises it mismanaged his expectations here because it didn't do this. Instead, it chose to send a letter in the post. It has explained that it chose to do this instead as it was sending out forms to him anyway. It offered £40 in compensation as it says it didn't do what it said it would do. When I consider all the circumstances in Mr H's complaint, I think this offer is fair and reasonable.

Looked at overall, I don't think Nationwide is responsible for any investment losses incurred by Mr H in a stocks and shares ISA he holds with a third party. This is because his original request for a transfer was cancelled by Nationwide due to a mistake he made with the original application. Nationwide tried to notify him and rectify this through a letter and forms in the post, but Mr H said he didn't receive them. As I have already concluded, I can't hold Nationwide responsible for this.

Nationwide did say it would send a message or leave one if it needed further information and it didn't do that. It has offered compensation of £40. I think this offer is fair and reasonable in the circumstances.

### **My final decision**

Nationwide Building Society has already made an offer to Mr H to pay £40 to settle the complaint. I think its offer is fair and reasonable.

So, my decision is that Nationwide Building Society should pay £40 in total if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 July 2023.

Mark Richardson  
**Ombudsman**