

The complaint

Mr S complains about Nationwide Building Society's handling of an ISA transfer.

What happened

In March 2022, Mr S instructed a transfer of an ISA from Nationwide to another business. He asked for £27,500 to be transferred, as the maximum he could transfer into the ISA for that year. The transfer was refused though, so Mr S spoke to Nationwide and the other business involved to try to see what had happened.

Nationwide said that the other business instructed the transfer and that it did so for a total of £47,500 – which exceeded the relevant amounts that could be transferred. So Nationwide declined the transfer on that basis. The other business maintained that it instructed a transfer for £27,500 and says it contacted Nationwide about this. The other business said that Nationwide agreed that the problems were because of issues with its systems.

Mr S complained about both businesses, but they maintained their positions that neither had done anything wrong. So Mr S brought his complaints to this service. One of our investigators considered this complaint against Nationwide and felt that it had likely misinterpreted the transfer instruction from the other business and that the information provided by that business showed what Mr S wanted to do. They said that it was most likely that a processing or technical error with Nationwide led to the problems Mr S faced here.

Our investigator recommended that Nationwide paid £175 for the distress and inconvenience caused to Mr S here. Mr S accepted this but Nationwide didn't respond, despite our service asking for a response a few times. So the complaint has been passed to me to decide.

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 note that Nationwide hasn't provided a response to our investigator's findings. That means I've decided this case based on the information that I already have on the file. Our investigator explained what the evidence from the other business showed, but Nationwide hasn't disputed this or provided any evidence to the contrary in response.

Based on what we do have, I agree that the evidence here does support that the instruction from the other business was intended to transfer the £27,500 that Mr S wanted to. It may well be that this was received by Nationwide and interpreted in a different way by them. But we have no clear evidence to support how that was received by Nationwide on its systems, or to show why this would have been a fair interpretation in the circumstances. Nor has Nationwide responded to our investigator's findings that this was likely an unfair interpretation of the instruction.

So, based on the evidence I do have here, I think this supports that it's more likely than not that Nationwide interpreted the instruction in a way that caused an unfair outcome for Mr S in

the individual circumstances of his complaint.

In these circumstances, I think it's fair that Nationwide compensates Mr S for the distress and inconvenience it's caused here. Mr S has been confused by this situation and has clearly been frustrated when trying to get answers. Nationwide has already paid £50 for issues with its communication – but taking into account what I've said elsewhere in this decision, I agree with our investigator that an extra £175 is fair in the circumstances and I note that Mr S is happy with this too. So it's this that Nationwide should pay Mr S.

My final decision

Nationwide Building Society should pay Mr S £175 for the distress and inconvenience caused here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 June 2023.

James Staples
Ombudsman