

The complaint

Mr B complained about delays that occurred during the process of arranging an ISA transfer from Citibank UK Limited (Citi) to a third party. Citi admitted delays and service failings in respect of which it offered to pay Mr B £200 compensation. Mr B didn't feel this was sufficient redress and, in particular, he was unhappy that Citi didn't take into account investment loss.

What happened

Mr B held a Citi stocks and shares ISA. Briefly, on 4 November 2021, Mr B sent a transfer request to Citi to start the ISA transfer process which required Citi to encash his existing investments and transfer the cash value to his new financial provider. Citi initially rejected the transfer request and there was an exchange of messages between Mr B, his new provider and Citi. Mr B resubmitted his transfer request. He continued to chase for information about the transfer. Ultimately, the transfer from Citi to the new provider completed on 28 January 2022.

Mr B complained to Citi about the way it had handled his transfer request. Citi upheld his complaint and agreed that Mr B's service request could have been handled better from his initial point of contact on 4 November 2021. Citi apologised to Mr B for the level of service it had provided to Mr B and offered to pay him £200.

Mr B didn't feel this went far enough to resolve things and he brought his complaint to us. In particular, he said his ISA lost significant value after 4 November when he submitted his initial transfer and he wanted reimbursement for this investment loss, along with compensation for his time, emails and phone calls he'd had to make.

One of our investigators looked into what happened. She felt that the £200 payment Citi had offered was fair redress for the trouble and upset caused to Mr B by Citi's delays in dealing with the transfer. But she thought Citi needed to do more to put things right and recommended it should also reimburse Mr B's investment loss. Our investigator set out the way she felt this should be calculated and asked Citi to do the necessary sums.

Citi provided a calculation showing how it had arrived at a figure for the proposed redress amount which our investigator felt was fair and she passed on the details to Mr B.

Mr B agreed with the investigator and so we informed Citi that Mr B had accepted Citi's calculations and we asked Citi to confirm it would be making this payment, on top of the £200 compensation it had already offered, in settlement of Mr B's complaint.

Citi told us it was still reviewing the case and asked for a further extension of time to respond. This was some time ago and since it provided its loss calculation, even though we've been in touch again, Citi hasn't responded further. So as the complaint isn't resolved, it comes to me to make a 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've reached the same conclusions as our investigator. I'll explain my reasons.

The crux of Mr B's complaint is that Citi should have completed his transfer request within 30 days and, had it done so, he would have been better off in money terms as he lost out when prices had dropped by the time Citi sold his investments on 21 January 2022. He would also have avoided a significant amount of anxiety about what was happening with his transfer and the inconvenience and trouble he was put to having to chase things up when the transfer didn't progress as it should have done.

Both parties seem to be broadly in agreement about what happened, and Citi upheld Mr B's complaint, so I don't feel there's any need for me to say more about the background circumstances. I've concentrated in my decision on what Citi is required to do to put things right for Mr B. In other words, what it needs to do now to put him in the position he would have been in but for Citi's failure to deal with the transfer on a timely basis.

But for Citi's admitted delays, it's reasonable to expect that Mr B's investments should all have been sold by 16 December 2021 at the latest. A comparison between the selling prices Mr B actually achieved and what he could have sold his investments for on 16 December 2021 shows he lost out financially overall.

Citi offered Mr B a payment of £200 in recognition of admitted shortcomings in the way it had handled his transfer request on 4 November 2021 and to reflect Mr B's subsequent client service experience. This didn't however include taking into account the impact of Citi's delays on the selling prices Mr B's investments achieved when Citi sold these in order to be able to complete the cash ISA transfer in line with Mr B's instructions.

I find it's fair and reasonable in these circumstances to expect Citi to pay redress to cover Mr B's resulting investment loss in addition to making a payment to reflect the impact on Mr B of its poor service.

Citi has provided calculations showing that after offsetting gains Mr B made on some of his investments in the run up to selling them, overall the fall in value on the remainder of his investments meant he made a net loss of £4403.95. Looking at the way Citi has worked this out, this seems fair and reasonable to me.

I've carefully taken into account the worry, frustration and inconvenience Mr B undoubtedly experienced as a result of Citi's service failings and the extra trouble he was put to having to chase things up in order to progress the transfer. On balance, I think the £200 offered is fair compensation for this.

Mr B has confirmed he will accept a payment of £4403.95 to reflect his investment loss along with the £200 Citi has already offered, to settle his complaint.

So, to put things right, Citi should pay these amounts to Mr B.

Putting things right

Citi should, if it hasn't already done so, obtain up to date bank details from Mr B and his payment instructions and then pay him £4,603.95 in total (£4403.95+£200).

My final decision

I uphold this complaint and direct Citibank UK Limited to pay Mr B as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 March 2023.

Susan Webb
Ombudsman