

The complaint

Mr and Mrs M have complained about the delays they experienced when trying to transfer their accounts away from Standard Life Savings Limited ('Standard Life') to a different provider.

Mr and Mrs M are represented by a third party in bringing their complaint but for ease, I will be referring to 'Mr and Mrs M' in my decision.

What happened

Mr and Mrs M wanted to transfer Mr M's ISA and General Investment Account ('GIA') and Mrs M's GIA and their joint GIA from Standard Life to a new provider who I shall refer to as 'Company A' in my decision.

Mr and Mrs M's transfer application was received by Standard Life on 19 March 2020. They were advised the process would take around ten working days. Five days to sell the existing investments and another five for those sale proceeds to be transferred to Company A. The underlying investments were sold.

For Mrs M's GIA, they are complaining that those funds remained in cash from 20 March until 14 April 2020 and for the other accounts, that they remained in cash until 20 April. Mr and Mrs M have said the investments were sold at a low point and then remained in cash during a period of significant growth in the stock market.

Mr and Mrs M raised their complaint with Standard Life. It didn't uphold the complaint. It gave details of the timeline of events about what happened on the accounts and the dates of the payments being processed. It was satisfied the cash payments were made within a reasonable timeframe on each occasion.

Remaining dissatisfied with the outcome, Mr and Mrs M brought their complaint to the Financial Ombudsman. One of our investigators who considered the complaint didn't think it should be upheld. She said;

- She outlined the timeline for the transfers as well as referring to government guidelines for ISA transfers and Standard Life's own service-level agreement ('SLA'). The latter wasn't guaranteed because of the processes involved and different types of investment.
- She was satisfied that the transfer had been completed within the government guidelines of 30 days for an ISA transfer – Mrs M's GIA took 19 working days and the other accounts took 23 working days.
- The funds were all sold, and the proceeds were to be transferred, and there was always a risk of loss on investments during that time of being out of the market. But equally the market could have fallen.

- Standard Life was working on the instructions that they were given, and it wouldn't have been for Standard Life to wait for a potentially more favourable time to sell the investments.
- The funds were transferred to the new provider via BACS which could take up to five working days to complete.
- Overall, the investigator was satisfied there were no unreasonable delays.

Mr and Mrs M didn't agree. They said they had lost money during the intervening period after their investments were encashed. It wasn't reasonable for the Standard Life to leave a client invested in cash for a month. And it is only retrospectively that Standard Life was relying on the government 30 days guideline for ISA transfers. Standard Life had failed to demonstrate due care and diligence.

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.

After doing so, I've reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

I know the parties are aware of the timeline of the transfers, but for completeness I repeat them here;

- Mrs M's GIA

Standard Life received the transfer instruction for Mrs M's GIA on 19 March 2020. The sales of the underlying investments were placed for the next day and were to settle five working days later, so Friday 27 March. The proceeds were then referred for payment which processed and authorised on 6 April by BACS and sent to Company A who received those funds on 14 April 2020.

Mr M's ISA and GIA

The transfer requests were also received by Standard Life on 19 March and the sales went ahead the next day and settled on 26 March. For the ISA the proceeds were then queued for processing and were sent for authorisation on 11 April 2020 which was authorised the next day via BACS to Company A. And for the GIA, the payment was processed on 12 April, was authorised and issued via BACS on 14 April and received by Company A on 20 April 2020.

The joint GIA

The sale was made on 23 March and settled on 27 March 2020. The proceeds were then queued for processing on 11 April 2020 which was authorised on 12 April via BACS to Company A who received them on 20 April 2020.

When considering Mr and Mrs M's complaint I have taken account of government guidelines for the transfer of ISAs as well as Standard Life's SLA for the transfer of accounts.

HMRC guidelines are that for a non-cash ISA a transfer should take no longer than 30

calendar days. However, this isn't a regulatory requirement, rather it is an aim for the timeline of a transfer process.

In consideration of the transfer times for the other three accounts – the non-ISA accounts, I've borne in mind HMRC's guidelines for an ISA transfer and what I know of industry practice to consider whether they were completed within a reasonable time frame.

In the investigator's assessment she referred to the timeline for ISA transfers as being working days. But HMRC guidelines refer to calendar days which does alter the number of days the investigator calculated which were 19 days for Mrs M's GIA and 23 days for the others. However, I don't find this makes any significant difference to the conclusions of the investigator and the overall outcome I've reached for Mr and Mrs M's complaint.

And as mentioned above, I've borne in mind that for the ISA, HMRC guidelines are just that – they are guidelines and not regulations. Standard Life does have its own SLA of ten working days to initially pick up and request the transfers. And it allows five working days for the settlement of trades and once those proceeds are received, they are passed back to a queue for processing – in this case via BACS for which Standard Life allows a further five working days. I accept though that this cannot be guaranteed because of the various processes, different types of investments and involvement with the other platform provider amongst other issues experienced during that time.

However, bearing in mind that during this transfer process it was within the overall backdrop of the beginning of the COVID pandemic, during which time staff were generally no longer attending the office and relocating to home working. And I don't find it unreasonable that this would have caused some inevitable disruption. And over and above the usual weekends, for the working day timelines, there were also two Bank Holidays.

Part of Mr and Mrs M's complaint is that their investments were sold at a low point. But, like the investigator I'm of the opinion this was out of Standard Life's hands. It was acting on the instruction of Mr and Mrs M to transfer their accounts and it had no discretion in the timing of that.

And selling at a lower point than would have been liked or being out of the market for longer than wanted, is a risk inherent in transferring from one product provider to another. And in this case, I've found the timelines aren't unreasonable and I don't find that Standard Life hasn't acted with due care or diligence.

I know Mr and Mrs M's main concerns are that their cash was out of the stock market for longer than expected and they potentially lost out on stock market growth during that time. They don't think that Standard Life transferred the accounts quickly enough and they were hoping for the transfers to complete sooner than they did.

But this service isn't prescriptive in telling a firm how to manage its own business such as its own timings within its service level agreements. Those are its own timelines and it is for the business to decide what is workable, what is appropriate and what is fair and reasonable for the customer – such as the time to settle after a trade and five days allowance for a BACS transfer.

Taking all of the above into account, I can't conclude that Standard Life hasn't treated Mr and Mrs M fairly and reasonably. While the transfers took longer than Mr and Mrs M expected or would have liked I don't find that there were any unreasonable delays caused by Standard Life.

I appreciate Mr and Mrs M will be disappointed with my conclusion. I know they feel strongly

about their complaint. But I hope I have been able to explain how and why I have reached the decision that I have.

My final decision

For the reasons given above, I don't uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 21 April 2023.

Catherine Langley
Ombudsman