

The complaint

Miss R complains about the delays in Metro Bank PLC transferring her 5-year fixed rate cash ISA to a stocks and shares ISA with a third-party ISA provider (who I will call G).

What happened

In mid-December 2020 Miss R requested that G arrange the transfer of her 5-year fixed rate cash ISA from Metro Bank into her stocks and share ISA with G. The cash from the ISA wasn't transferred until mid-February 2021 and then took over a week to be credited to her account with G.

Between February 2021 and March 2022 Miss R made several complaints to Metro Bank about the delay and the way the transfer request had been handled. In summary, Miss R was unhappy that Metro Bank:

- Didn't act on the transfer request it was sent by G in December 2020 or the numerous chaser emails until 9 February 2021.
- Rejected the request because the form didn't make clear that she wanted to transfer the ISA immediately rather than waiting until the end of the fixed rate term.
- Told her she couldn't close her account early unless she was in hardship.
- Didn't include the interest when it eventually transferred the cash to G.
- Didn't include the account reference when it sent the cash to G, which delayed the money being credited to her stocks and shares ISA.
- Asked her for proof of her losses and after she'd taken the time to provide this, said it wouldn't compensate her for these.

There were numerous other issues raised over the year or so Miss R was in contact with Metro Bank about her concerns, but in the interests of brevity, I've picked out what I consider to be the main points above. Miss R wants Metro Bank to compensate her for the loss of investment opportunity caused by the delay – she says this is around £6,000.

In response to Miss R's complaints, Metro Bank seems to have accepted it was responsible, at least in part, for the delays in transferring the ISA. After her initial complaint, it credited her account with £50 to acknowledge the upset she'd been caused. But it eventually said it wasn't prepared to compensate Miss R for her loss of investment opportunity.

I issued a provisional decision about this complaint and explained why I thought this complaint should be upheld and that Metro Bank should pay Miss R a further £700 compensation for the distress and inconvenience it had caused her. I said:

"The delay in the ISA being transferred

It shouldn't take any longer than 15 working days for a cash ISA to be transferred. It clearly took longer than this for Miss R's ISA to be transferred – G received her transfer form on 17 December 2020 and the bulk of the cash didn't get credited to her stocks and shares ISA until 26 February 2021 (with the interest being transferred and credited a few days later).

G says it sent the ISA transfer form to Metro Bank by recorded delivery on 18 December 2020, but it can't provide evidence of this, and Metro Bank says it wasn't received. But G did send several follow up emails to Metro Bank starting from 31 December 2020. The first four of these emails were sent to individual members of staff, rather than the correct mailbox but Metro Bank appears to accept that at least the first of these emails was received. It also accepted, in its submissions to this service, that it should have at least acknowledged that email, even though it wasn't sent to the correct mailbox. Presumably, by "acknowledged", it means it should have told either G or Miss R that it had been sent to the wrong address. And had it done that, it's likely G would have sent a further email to the right email address.

Metro Bank didn't take any action until 9 February 2021 when G sent an email to the correct mailbox. So there was a delay of over a month that was caused by Metro Bank not doing anything when it received the email from G on 31 December 2020. I know previously Metro Bank has said it rejected the transfer request when it received it on 31 December 2020 but from everything I've seen, I don't think this did happen – I don't think anything happened at that time.

Metro Bank did initially reject the transfer request on 9 February 2021 as the form didn't make it clear if Miss R wanted the ISA to be transferred straightaway or whether she wanted to wait until the end of the term of the fixed rate ISA. I know Miss R thinks the answer to this should have been obvious, but I do think it was reasonable for Metro Bank to check she was aware of the penalty for ending the ISA early, before it did anything. In the end, this didn't take long to resolve – Miss R confirmed on the phone on 10 February 2021 that she wanted the ISA transferred straightaway.

The cash in the ISA was transferred to G on 17 February 2021. It took G over a week to find it and credit the money to Miss R's account, as it says Metro Bank didn't include the reference. Metro Bank says it did include the reference, but I can see the email it sent to G with the transfer history form didn't include the full reference Metro Bank had been given by G. This may have caused problems in G locating the money and it's likely it contributed to the delay in the funds being credited to Miss R's account.

Some of the interest that had accrued on Miss R's account was transferred to G around a week later. From what Metro Bank has said, it isn't clear what the usual process is – in its submissions to us and the response it sent to Miss R's initial complaint, it said this interest should have been included when the rest of the balance of the ISA was transferred, but in another response said it only transferred this as a gesture of goodwill. Considering everything that happened, this wasn't a major issue as, even if it should have been transferred with the rest of the money, it did get corrected quite quickly. But the response Metro Bank has given about this issue illustrates the inconsistent answers it has given Miss R.

Overall, I don't currently have evidence to show it's more likely than not Metro Bank received the ISA transfer form by post from G. But I'm satisfied it should have acted when it got the email from G on 31 December 2020. If it had done so, the ISA is likely to have been transferred by the middle of January 2021 at the latest.

The service Miss R received from Metro Bank

Having looked through all the correspondence between Miss R and Metro Bank that's been sent to us by both parties, it's clear to me that the service she's received hasn't been acceptable. She's been given the wrong information at times – like being told she couldn't end the ISA early unless she was in hardship. And the different answers she's been given to her complaints have been contradictory and confusing. For example, Metro Bank said:

- *It hadn't received the earlier emails from G and then said it had received the one sent on 31 December 2020.*
- *It had rejected the transfer request on 31 December 2020 – it doesn't appear it did.*
- *It made a mistake by not sending the interest at the same time as the rest of the money but then said it only did that as a gesture of goodwill.*

All of these issues have caused Miss R unnecessary inconvenience and distress.

Metro Bank also gave Miss R the impression it would consider further compensation for lost investment opportunities. After Miss R had provided some information that she says shows her losses, Metro Bank said it couldn't be held responsible for her loss of opportunity. This also caused Miss R inconvenience and distress.

Putting things right

I haven't gone into too much detail above setting out what went wrong here as Metro Bank already accepts it didn't deal with things as it should have. But to be clear, I'm satisfied it:

- a) Delayed Miss R's ISA being transferred to G and the funds being credited to her account with G.*
- b) Provided a poor service to Miss R throughout this matter.*

When I find that a business has done something wrong, I'd normally direct that business – as far as it's reasonably practicable – to put the complainant in the position they would be in now if the mistakes it made hadn't happened. In this case, that would mean putting Miss R in the position she would now be in if Metro Bank had transferred the ISA sooner. However, this isn't straightforward in this case.

Metro Bank says its terms and conditions say it won't pay compensation for loss of profit or opportunity. But I don't think it would be fair to apply those terms in these circumstances, if Miss R could clearly demonstrate she had made a financial loss because of the delay in the ISA being transferred.

Miss R has provided us and Metro Bank with the statements for her stocks and shares ISA from 18 December 2020 and 17 February 2021. She says these show she made a profit of over £6,700 in the relevant period and had the funds from Metro Bank been transferred in December, she could have duplicated her holdings and made the same overall profit.

While I understand the point Miss R is making, I don't agree with her that she's 'lost' £6,700 because of the delay. She accepts the statements only show a snapshot in time and no loss or gain is actualised on holding a position in shares until they are sold. And I think this is a key point. The cash from Miss R's Metro Bank ISA would never have been credited to her stocks and shares ISA on 18 December 2020, even if Metro Bank hadn't caused any delays. So the value of her shareholdings on that date isn't relevant.

As I've explained above, I can't say Metro Bank should have acted any sooner than 31 December 2020. And it can take up to 15 working days for a cash ISA to be transferred. So if everything had gone as it should have, I think it's likely the cash would have been credited to Miss R's account with G at some point in the middle of January 2021.

The value of Miss R's shareholdings on 17 February 2021 also isn't relevant, as she still didn't have the cash from Metro Bank to invest until 26 February 2021. By this point, as Miss R has explained, and from what I've seen of the US markets at that time (where Miss R predominantly invested), the market environment had changed. If I were to see a statement from 26 February 2021, it's likely it would show the value of Miss R's shareholdings was lower than it had been on 17 February 2021.

Any gains or losses would be over the period from the middle of January until 26 February 2021. But even then, these would only be notional without evidence to suggest Miss R would have switched all her holdings to cash on that day – and as this complaint only exists because Miss R was seeking invest her cash holding in stocks, I find that unlikely. I think this illustrates the difficulty in quantifying what losses, if any, Miss R suffered because of the delay in transferring her ISA. It's possible it would have cost less to duplicate Miss R's existing shareholdings by the time her money went into her account with G, than it would have done in January 2021 – at least, based on the information available to me, it's not possible to say it would have cost more and therefore Miss R has lost out. And I know, from what Miss R has said, given the changes in the market, she didn't end up duplicating what she already had anyway.

Having carefully considered whether I can make any award for financial loss in this case, I currently don't think it is possible to calculate what loss, if any, Miss R has suffered. It's not possible to say how Miss R would have invested had the transfer happened sooner, and while the statements she's provided show her shareholdings increased in value between December and February, this isn't enough to show she has lost money because of the delay.

However, I do think Miss R should be compensated for the distress she was caused by not being able to invest sooner. She was clearly keen for the money to hit her stocks and shares ISA, at a time when prices were generally going up. It would have been frustrating to see this and not be able to do anything. The upset caused by the delay in the cash being transferred, was added to with Metro Bank giving Miss R wrong information about whether she could even end her ISA early. It also suggested it would have to send the money by cheque to G, which would have exacerbated matters even further when Miss R was so anxious to have it available to trade.

As I've also set out, Metro Bank didn't handle Miss R's concerns particularly well. I think this will have caused additional distress and inconvenience as the incorrect and conflicting information it gave to her led to her complaint continuing for much longer than it should have. Overall, having considered both the impact on Miss R of the delays in the ISA transfer and the poor service Metro Bank provided her, I currently think £700 would be fair compensation for the significant distress and inconvenience Miss R has been caused. This is in addition to the £50 Metro Bank has already paid Miss R.

Metro Bank said in one of its responses it didn't deduct the penalty charges for ending the fixed rate ISA early. It says these should have totalled around £213. From what I've seen and my calculations, I'm not persuaded this was the case. But if Metro Bank can provide evidence of this in response to this provisional decision, I will allow it to deduct this amount from the £700 I've awarded.

Metro Bank responded to confirm it accepted my provisional decision. Miss R didn't think £700 was enough compensation for the distress and inconvenience she'd suffered because of the poor service she'd received from Metro Bank. She also still thinks she should receive compensation for the loss of investment opportunity. In summary, she said:

- I'd left some of the "bigger picture" unaddressed – Metro Bank advertises itself as putting the customer first and her experience shows this isn't true. She was blocked from direct contact with staff dealing with her transfer request and her attempts to contact more senior staff at Metro Bank weren't ever responded to. It was only due to her perseverance that she managed to speak to someone in the ISA team and was able to set in motion the transfer.
- There were issues with the way Metro Bank dealt with her complaints. Calls weren't returned, Metro Bank refused to give her copies of her own accounts so she could

get to the bottom of why the transfer hadn't happened, and she was given the wrong information. It is this lack of communication and respect for her that is at the heart of her complaint.

- She still contests the right of Metro Bank to question and refuse her ability to understand the consequences of a legal contact she'd signed. No rational person would be asking for a transfer of their ISA funds on maturity in 2024 by sending signed transfer instructions in 2020.
- The hours of time spent dealing with this matter seriously sapped her energy and health (both mental and physical) and it has significantly detracted from her time progressing her own professional work and income. Such damage to her wellbeing and finances is hard to quantify, which is why she chose to focus on her more demonstrable loss of opportunity of using her ISA funds for financial gain.
- Although I have allowed a more generous time frame for an ISA transfer to take place, she suggests it should have gone through by 5 January 2021 (based on the request being received on 21 December 2020). She is happy to provide me with statements for her stocks and shares ISA showing her funds on 5 January 2021 stood at around £26,500 and increased to around £32,000 by 16 February 2021.

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've summarised Miss R's further submissions above, but I assure her I've carefully read and considered everything she's sent in response to my provisional decision. And I've reconsidered all the previous information we've been sent by both parties. Having done so, my decision remains the same as that set out in my provisional decision. I still think £700 (plus the £50 already paid by Metro Bank) is fair compensation for the impact on Miss R of the delays in the ISA transfer and the poor service she received from Metro Bank.

I agree with Miss R about the difficulties she experienced in speaking to the 'right' people at Metro Bank. A lot of her frustration was caused by speaking to different people who couldn't personally do what needed to be done to get the ISA transfer moving. And the way Metro Bank dealt with Miss R's complaints has been unsatisfactory and has caused additional inconvenience to her. While I didn't go into detail about these specific issues in my provisional decision, they were something I'd considered when I concluded the service Miss R had received was poor. And they were factored in when deciding how much compensation to award.

I remain of the opinion it was reasonable for Metro Bank to check with Miss R before starting the transfer process. I do understand her point that no one would ask to transfer an ISA four years before they wanted it to be transferred. But as there was a penalty for ending the fixed-rate ISA early, I think it was prudent for Metro Bank to make sure Miss R was aware of this. While she may have been fully aware of the terms of the account, not everyone is and often people forget. It's better for Metro Bank to check this before doing anything, than have people upset when they realise they've incurred penalty charges they'd forgotten about and it's not possible to reinstate the fixed rate account.

The timescale for transferring a cash ISA I referred to in my provisional decision was based on the ISA transfer rules, which say ISA transfers should take no longer than 15 working days for transfers between cash ISAs. While Miss R's was a transfer from a cash ISA to a stocks and shares ISA, it's reasonable to expect it to take a similar time. It's possible

Miss R's ISA *might* have been transferred quicker than that if Metro Bank had acted on her instruction as it should have. But if it had taken 15 working days then that would still have been within the timescales set out in the rules.

As I explained in my provisional decision, I haven't seen evidence that shows Metro Bank received anything relating to Miss R's ISA request before 31 December 2020. So I can't say Metro Bank should have acted any sooner than 31 December 2020. Miss R has suggested her ISA could have been transferred by 5 January 2021 – two working days later. I think this is unlikely. And while I thank Miss R for her offer to provide statements for her stocks and shares ISA for 5 January 2021 and 17 February 2021, as I explained in my provisional decision, any profit (or loss) is only notional given Mrs R is more likely than not to have maintained her stock holding rather than crystallising the position. So, I don't think these would be helpful to quantify any actual financial loss Miss R might have suffered.

Miss R doesn't think the compensation I've awarded is enough. I remain of the opinion that a total of £750 is fair compensation in all the circumstances of this complaint. I consider compensation of this amount is fair where the impact of a mistake (or mistakes) has caused considerable distress, upset and worry and/or significant inconvenience and disruption. I think this fairly describes Miss R's experience as a result of Metro Bank's errors.

In response to my provisional decision Metro Bank made no comment about whether it had deducted the penalty charges or not from the amount it transferred to the stocks and shares ISA. It accepted my provisional decision that it should pay Miss R £700 compensation. Therefore there shouldn't be any deductions from the £700.

My final decision

For the reasons set out here, and in my provisional decision, my final decision is that I uphold this complaint. Metro Bank PLC must pay Miss R £700 for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 27 April 2023.

Claire Allison
Ombudsman