

## **The complaint**

Mr P complains that Family Equity Plan Limited trading as OneFamily (OneFamily) incorrectly rejected his Individual Savings Account (ISA) transfer due to a bonus rate that applied.

## **What happened**

My initial conclusions were set out in my provisional decision issued on 6 February 2023. In my provisional decision I explained how I intended to resolve the complaint. I said:

*The details of this complaint are well known to both parties, so I won't repeat them in detail again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.*

## **What I've provisionally 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 a different opinion to our Investigator for these reasons:*

- *On the evidence available, I'm not convinced it was reasonable for OneFamily to assume Mr P didn't want to go ahead with the transfer he'd requested. I'm satisfied it should have at least enquired further about his transfer prior to making any decision.*
- *I say this because the application check box which is the crux of this complaint related to fixed term periods and notice periods but said nothing about bonus rates. I don't think it was reasonable in the circumstances of Mr P's transfer to assume he didn't want to proceed without contacting Mr P first.*
- *If OneFamily had queried the transfer with Mr P I'm satisfied it would have gone ahead as planned – as demonstrated by his reapplication. I therefore feel OneFamily is ultimately responsible for the transfer not proceeding on the first attempt. I'm satisfied OneFamily need to do more to put things right.*
- *I know Mr P feels strongly that his loss concerns a lack of opportunity to purchase a very specific fund at the right point of time. He'd like a flat sum paid to him which constitutes his perceived loss, and he estimates this to be roughly 6% of the value of his ISA at the time.*
- *I've thought about this carefully. And my considerations must include the fact that Mr P partly mitigated the impact of the delay by purchasing the fund using alternative capital outside of his ISA.*
- *I agree he's therefore lost out on having this particular investment within his ISA – but he's also then chosen to purchase entirely different funds once the transfer completed. Therefore, the same tax efficient benefit is instead now applied to those investments. Whilst I appreciate the reasons for his decision, I can't disregard the fact that Mr P did not choose to buy the same fund when the transfer completed.*
- *I don't think it would be fair to include the original fund into any financial loss considerations – in part because Mr P didn't ultimately purchase the original fund and now has other investments in his ISA.*

- *Instead I believe a fair and pragmatic solution would be to focus on how the eventual purchases he made within his ISA were likely disadvantaged by the delays.*

### **Putting things right**

*I'm satisfied Mr P was caused inconvenience by the delay in completing his initial transfer. I think it would have been upsetting for Mr P to discover his intended purchases had risen in unit cost during the period, and it would've been a further inconvenience to have to reapply for his transfer and switch his purchasing plans. I think a payment of £200 is fair and reasonable compensation for the distress and inconvenience this caused him.*

*I'm also satisfied that OneFamily's error may have caused Mr P financial loss. OneFamily should put Mr P in the position he'd have been in had the transfer submitted on 21 April 2021 been accepted. I can't be sure when the transfer would have completed but I can see the successful transfer took nine days to complete so I've applied this timescale. So, I think it's reasonable to say the cash from Mr P's ISA would've been received and applied to his new Stocks and Shares ISA on 30 April 2021.*

*I've also assumed similar timescales for how long it took for Mr P to invest the funds in his new ISA – he purchased his new funds six days after completion of the transfer, so I think it's reasonable to say that had everything gone right Mr P would've likely purchased his chosen funds on 6 May 2021.*

*With this in mind, OneFamily should calculate the following:*

- *Compare what units Mr P could have bought in his new ISA on 6 May 2021 to what he purchased with his funds on 1 June 2021*
- *Arrange with his current ISA provider for any units he may have lost out on to be purchased and placed within his new ISA. If Mr P has used up his ISA allowance for the year OneFamily should consult with HMRC to ensure Mr P doesn't lose out and explore applying the additional units by way of restitution.*

### **My provisional decision**

*For the reasons I've explained, I intend to uphold this complaint and intend to direct Family Equity Plan Limited trading as OneFamily to carry out the instructions above.*

I asked for both parties to provide me with any further submissions they had before I issued my decision. Both parties provided further comments. I've carefully considered the further representations made on both sides.

### **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.

OneFamily has reiterated that it felt the rejection of the transfer was correct. It highlighted that Mr P had never held a fixed term product in his online ISA so its assumption was a fair one. I acknowledge the point being made – but it doesn't change the underlying instruction submitted by Mr P. I'm satisfied this contradictory information highlighted by OneFamily is further reason it should have contacted Mr P before taking action.

OneFamily also felt Mr P could have contacted it sooner after the transfer failed to prevent significant delays. It questioned whether his new provider made him aware of the rejection in a timely manner. I don't think this consideration changes my decision as I'm satisfied that if

OneFamily had queried the transfer with Mr P it would've completed without any subsequent delays or issues taking place.

Mr P has disagreed with how I've suggested things should be put right. I'd like to thank Mr P for providing the level of detail he has regarding his trading history and experience. He's provided information that demonstrates he's a proficient and experienced trader who has spread purchases and timed trades in the past.

Mr P has contended that he would have better timed his purchase and shortly after sold for a profit to make more gains than the compensation I'm suggesting recognises. He's looked back at the period and highlighted the dates he would have made his purchases and sales. Mr P also disagrees that the 'original fund' should not be included in the calculations of financial loss – as he's confident he would've purchased it in place of the funds he did eventually buy.

I've considered all these points; however, I'm not persuaded that the suggestion Mr P has made matches with the actual history of the account once he gained access to his funds. Mr P has previously acknowledged he purchased funds as soon as he was aware he had access and purchased all the funds in question on the same day rather than spreading purchases. From the evidence I've seen, the funds he ended up purchasing were also not sold within a short period of time.

Again, I appreciate that Mr P did not purchase the fund he originally wanted to – and had to switch around his purchase decisions. But this is acknowledged in the recommendation I've made for the distress and inconvenience he's suffered. Ultimately Mr P did not purchase the fund in question within his ISA when he had the opportunity and purchased an alternative group of funds. In short, I'm not persuaded that Mr P's suggestion for how to put things right is the fairest option as it is too speculative and does still in my opinion rely on the benefit of hindsight for the specific timing of trades.

So, for the reasons explained I can't agree that the compensation I've recommended should change. I'm not satisfied that there is enough evidence available to persuade me that what Mr P has suggested is what would have most likely happened. And any calculation made must accept that Mr P ultimately did not actually end up purchasing the fund he originally set out to purchase in his ISA. In this case I must go with the most pragmatic approach, which I'm satisfied I've already detailed previously in my provisional decision.

I do understand this will be a disappointment for Mr P, but I'm not persuaded that I should alter the recommendations already made in my provisional decision.

### **Putting things right**

As my decision remains unchanged, OneFamily should calculate the following:

- Compare what units Mr P could have bought in his new ISA on 6 May 2021 to what he purchased with his funds on 1 June 2021
- Arrange with his current ISA provider for any units he may have lost out on to be purchased and placed within his new ISA. If Mr P has used up his ISA allowance for the year OneFamily should consult with HMRC to ensure Mr P doesn't lose out and explore applying the additional units by way of restitution.
- Pay £200 to Mr P as recognition of the distress and inconvenience caused by the transfer rejection.

**My final decision**

For the reasons I've explained, I uphold this complaint and direct Family Equity Plan Limited trading as OneFamily to carry out the instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 April 2023.

Paul Clarke  
**Ombudsman**