

## **The complaint**

Mr K complains about the service he received from Bank of Scotland plc trading as Halifax when trying to transfer a cash ISA to them.

## **What happened**

Halifax have shown us their internal record of activity on this ISA transfer. This shows they wrote to Mr K's existing provider on 20 October 2022 saying he'd authorised the transfer.

The record also shows Halifax chased that up on 4 November, but were told by the existing provider that no letter had been received. It's not clear why that was, but the notes say Halifax referred the matter internally for another letter to be sent.

There's no record of another copy of the letter then being sent until the existing provider received the request in February 2023. The transfer followed shortly after.

Mr K complained, but was told the problems were with his existing provider. In phone calls he says he was also told he might need to cancel his ISA to transfer the funds – something he feels would have had adverse consequences given the annual limits on ISA deposits. Mr K was also unhappy he couldn't speak directly to the ISA team.

Halifax didn't uphold the complaint, so Mr K brought it to us. One of our investigators saw the ISA transfer had at last been completed, and noted Halifax had taken steps to ensure Mr K hadn't lost out financially due to the delay. But our investigator felt Halifax should have done more to progress things before now. He recommended they pay £200 compensation to Mr K to acknowledge the trouble and upset caused.

Mr K didn't accept that view. He felt more attention needed to be given to what he was told when he raised his issues with Halifax. And he felt £400 was a more suitable compensation figure. With no agreement to resolve it, the complaint has come to me for a formal 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.

I've decided to uphold Mr K's complaint. And I find the level of compensation already recommended – £200 – is suitable here. I'll explain why.

Halifax's record tells me the issue here was in not sending out a replacement letter in November 2022. Halifax knew at that point that the first letter hadn't been received. They'd seen that the way to resolve that was simply to send another letter, but failed to do so.

This was compounded by Halifax doing nothing deeper than chasing up the existing ISA provider and getting the same reply – no letter to start the transfer had been received.

I agree with Mr K that it's concerning he was being told to transfer the money outside of the ISA transfer process. That could have caused a problem for his ISA allowances, which

would have taken time to correct. However, Mr K has avoided an adverse impact there, so I don't see Halifax need to do anything to put that right now.

I can also appreciate Mr K's frustration at not being able to talk to someone with enough awareness of the problem to come up with an effective solution before now. But I can also appreciate that Halifax's ISA transfer team aren't set up to speak to customers. Their role is administrative, and Halifax have a separate customer contact team in place.

That structure itself isn't unreasonable. But the failure to get to grips with this problem in a reasonable amount of time was. It's the impact of that which needs some recognition.

### **Putting things right**

I've looked at the details Halifax have provided of the steps taken to ensure Mr K hasn't lost out financially as a result of this delay. I don't see any further action is needed there.

The frustration and inconvenience here can't be undone. But some compensation will at least acknowledge that it happened. Picking a figure is a matter of opinion, but I've taken a few key factors into account.

The delay here was relatively long. And the responses Halifax gave Mr K were confusing. But all was eventually put right. And there was never a suggestion that anything bad had happened to Mr K's money – it was just held up, rather than lost or otherwise at risk.

I find £200 takes account of those impacts on Mr K. I can see Mr K's higher suggestion would fit if I put more weight on the scale of the mistakes Halifax made. But I prefer to take an approach that focusses on rectifying impacts, rather than punishing mistakes.

### **My final decision**

I've decided to uphold Mr K's complaint about Bank of Scotland plc trading as Halifax. I direct they pay him £200 compensation for the trouble and upset this matter's caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 July 2023.

Paul Mellor  
**Ombudsman**