

The complaint

Ms P complains that Metro Bank PLC did not action a transfer request for her Individual Savings Account (ISA).

What happened

Ms P says that her ISA with Metro Bank expired on 30 May 2022. She says she actioned a transfer request to another provider, but that, twice, Metro said it hadn't received it. She adds that Metro Bank did not respond to her complaint on 19 June 2022 and, in the meantime her interest rate had reverted to 0.25% when it would have been earning significantly more with the new provider. Ms P says that finally, on the 27 July 2022, the new provider received a letter from Metro Bank which said it was unable to accept the transfer out as it hadn't provided the full postcode. She says that she has now had to visit the local city numerous times to try to get this resolved and that Metro Bank is now saying the National Insurance number provided by the new provider is incorrect. Ms P says she did not recognise the National Insurance number Metro Bank said it had recorded for her and she is getting increasingly stressed.

Metro Bank says the first communication it received from the receiving bank was on 25 July 2022 and it was awaiting further action from them. It says it has no record of Ms P's complaint on 19 June 2022 and that it is not at fault for the delay.

Metro Bank subsequently accepted it should have noticed the issue with the National Insurance number at the same time as the incomplete postcode and that this caused part of the delay, for which it offered Ms P £100. It further added that it wasn't satisfied with Ms P's signature on the form.

Our investigator recommended the complaint should be upheld. She found that if Metro Bank had identified all the issues initially, it was likely that the transfer would have been actioned much sooner. She recommended that Metro Bank should pay Ms P the difference in interest she would have received had the transfer been processed on 26 July 2022, rather than the date it was actually processed, plus £200 for the stress this has caused to Ms P.

Metro Bank agreed to the £200 compensation, and to pay the difference in interest from 26 July 2022 to 28 December 2022 when the transfer was actioned.

Ms P responded to say, in summary, that:

- Metro Bank did not add the 0.25% interest to her balance transfer;
- Interest should be paid from 31 May 2022 as she was incorrectly informed that Metro Bank didn't do electronic transfers;

- It caused her considerable embarrassment and distress when Metro Bank insisted her National Insurance number was wrong;
- £200 is meagre considering the hours spent travelling to her local city multiple times over seven months.

Provisional findings

I issued a provisional decision to Ms P and to Metro Bank on 9 May 2023. I've summarised my findings below:

- Ms P's electronic transfer request was rejected at the end of May 2022, and when Metro Bank said it had not received a further two requests, she went into the city again in June, to complete a transfer form dated 22 June 2022;
- After two more visits to the city in July, with evidence of the completed transfer form, Metro Bank said it had still not received the request;
- Metro Bank says it received the transfer form on 25 July 2022 and contacted the new provider to say the postcode was incomplete, so Ms P again went into the city to send a transfer form with the correct postcode;
- On 8 August 2022 this transfer was again rejected as Metro Bank said the National Insurance number was incorrect. This turned out to be a Metro Bank error and after causing Ms P further distress, embarrassment, and delays, this was corrected;
- Once the National Insurance number issue was resolved, Metro Bank then said Ms P's signature wasn't acceptable, so she went into the city to complete further forms;
- Ms P's ISA was finally transferred on 28 December 2022, to an ISA with an interest rate of 3.85% - 3.6% higher than her money had been earning since 31 May 2022;
- Based on the evidence I saw, I found:
 - Metro Bank did nothing wrong by rejecting the original electronic transfer on 25 May 2022, although Ms P says she was told it was due to the bank not using this methodology, rather than the request being rejected for errors;
 - Although Metro Bank had not provided a final statement that showed it added the 0.25% to the balance it transferred to the new provider, I was satisfied that it did so having seen the balance when the account matured and the opening balance of the new account;
 - There was nothing to indicate that Metro Bank received the transfer form dated 22 June 2022 before 25 July 2022;
- I considered Metro Bank, at this point, should have:
 - Requested the postcode to be completed;
 - Queried Ms P's National Insurance number;
 - Rejected the signature;
- I, therefore, found it likely, that the transfer could have been completed by 26 July 2022, but did not find it reasonable that Metro Bank should pay the higher rate of interest from 31 May 2022 because:
 - I was satisfied that Metro Bank was not responsible for the delay between 31 May 2022 and 26 July 2022;

- It was already paying a higher differential in interest because of the interest rate changes between the original transfer request date and when the transfer was actioned.
- With regard to the compensation offered, I found this was a little on the low side because:
 - There were further delays after this figure was agreed;
 - It took seven months in total for the transfer to be actioned;
 - Ms P needed to make multiple trips into her nearest city, spending hours on public transport to do so;
 - Ms P spent further time trying to resolve the issue at home, including lengthy phone calls;
 - Ms P received poor customer service in branch on at least two occasions;
 - The issue with the National Insurance number was caused by Metro Bank and resulted in further anxiety for Ms P;
 - Based on this service's guidance I found compensation of £400 to be more appropriate.

In summary, my provisional decision was that an additional 3.6% interest should be applied to the account between 26 July 2022 and 28 December 2022, and that compensation of £400 should be paid to Ms P.

Metro Bank responded to accept my provisional decision.

Ms P responded to say, in summary:

- That she considered Metro Bank had lied to the new provider as it told them it did not do electronic transfers;
- She thought the only reason the transfer finally happened was due to two efficient staff members that she met in Metro Bank in December 2022;
- Her money would have been earning 1.35% from 31 May 2022 had Metro Bank transferred the ISA efficiently so she would like that interest paid, but accepts the additional 3.6% offer from 26 July 2022 to 28 December 2022;
- That Metro Bank claimed not to have received multiple communications and forms;
- That she would like an apology and a written explanation of how her National Insurance number was wrong in Metro Bank's records, why the issues with the transfer form were not brought up earlier and why she did not receive notice of where her funds were along with a closing statement;
- That £800 compensation is more appropriate for the trauma, expense, time, inconvenience, poor customer service and lack of communication.

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.

In response to Ms P's points above:

- Whilst I don't doubt that Ms P was told that Metro Bank didn't do electronic transfers, and I'm satisfied that is incorrect, that is not the reason the initial transfer was rejected;
- Had Metro Bank transferred the money on 31 May 2022, I accept it would have been earning 1.35% from that date. However, it would not now be earning 3.85%, and given that Metro Bank has agreed to backdate this higher rate of interest, it is not reasonable to also ask for the additional interest rate from 31 May 2022 to 25 July 2022;
- I accept that Ms P was told Metro Bank hadn't received a number of documents she'd sent, and I've taken this into account within the compensation recommendation;
- This service has asked Metro Bank to provide the written explanation Ms P has requested;
- I note that Ms P originally requested £600 compensation, and now feels £800 is more appropriate, but I still consider £400 is fair having considered all the circumstances.

Although I acknowledge Ms P's comprehensive response, I can't see that she has provided any new information, so I see no reason to depart from my provisional decision.

My final decision

My decision is that I uphold this complaint. Metro Bank Plc should:

- Apply the 3.6% difference in the interest rate between 26 July 2022 and 28 December 2022, as it has agreed to do;
- Provide Ms P with a final statement for her old account;
- Pay Ms P £400 compensation for the stress and inconvenience this has caused to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 3 July 2023.

Amanda Williams
Ombudsman