

The complaint

Mrs B has complained about M&G Securities Limited and the service it provided. She asked it to transfer two ISAs to a third party and there was delay.

Mrs B's son, Mr B says that he holds a general power of attorney. He is acting on behalf of Mrs B in her complaint. But for simplicity and because she is the complainant, I have referred to Mrs B throughout.

What happened

Mrs B held two stocks and shares ISA with M&G. In March 2022 she tried to transfer them both to a third party. Mrs B was looking to transfer the stock held within the ISAs 'in specie' directly to the third party.

Mrs B said the transfer broke down on three occasions in March and April 2022. The third party contacted her and said it had been given an error message by M&G on each occasion. Mrs B said M&G had not been able to resolve the problem. She said it knew enough about her to write with details of the investments with the account number but couldn't sufficiently use this to transfer the ISAs.

I issued a provisional decision on this complaint in 22 August 2023. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I am currently looking to uphold Mrs B's complaint. I will explain why:

- Mrs B sought to transfer two ISAs from M&G to a third party. A third party made an electronic transfer request on 30 March 2022. This request did not take place and the third party was provided with a cancellation message from M&G that said, "account details must match one of the configured regular expressions."
- M&G tried to complete the transfer electronically a further two times on 4 and 6 April 2022. Again, on both occasions the transfer wasn't successful, and the same message was relayed from M&G to the third party.
- Mrs B emailed M&G on 5 April 2022 asking what had happened and that she couldn't find any further information online about this. At this stage, I can see an electronic transfer was attempted by a third party on three occasions and there was a reason why this wasn't successful each time. This needed further investigation by M&G.
- M&G notified Mrs B on 13 May 2022 that it would look into her complaint and would send on her concerns to its investigation team. Then on 18 May 2022 it sent a response to Mrs B to say that it was unable to locate any electronic or manual requests regarding her account. It said if she had been provided with any emails from a third party in relation to an error message received from it, that the third party should contact it. There was then a further response from M&G on 30 June 2022 to

say that it was sorry to hear Mrs B's transfer issues had not been resolved and it would again forward her email to the investigations team.

- The third party eventually sent a manual transfer request to M&G on 26 August 2022 and the transfer was completed on 2 September 2022, around six months after the first electronic transfer request back in March 2022.
- Recently, the third party has provided information that shows the correct information was put on the electronic transfer forms. M&G found out shortly after it saw this, that the third party sent the requests in March and April 2022 to an incorrect email address.
- In its final response sent on 18 May 2022, M&G said it hadn't been able to locate any electronic or manual requests regarding the account, but it would've had in front of it, information provided by Mrs B about an error message that came from itself. So, it would have known that transfer requests had taken place and that it had cancelled them due to an error.
- If M&G had properly looked into Mrs B's concerns in May 2022, in the same way it did on 12 July 2023, it would have seen the third party had sent the requests to the wrong email address. This looked like quite a straightforward check for it to carry out.
- If M&G had relayed what it had found earlier, in its response on 18 May 2022, then it stands to reason the transfer of Mrs B's ISAs would have taken place a lot sooner. So, I think M&G, by not investigating Mrs B's complaint properly, is responsible for a delay here. I currently think because of this, M&G needs to put things right. It is responsible for a delay that could have been avoided if it had looked into Mrs B's requests properly.
- I can see that Mrs B's transfer request was to move the stock "in specie". So, her money would have been invested in the market throughout, in the stock that she wanted to be invested in. So, Mrs B wouldn't have incurred any investment losses because of M&G's failings in this complaint.
- What is left for me to consider, is distress and inconvenience suffered by Mrs B. I am currently minded to conclude M&G is responsible for a delay and this would have caused Mrs B undue stress and worry. She would have had to continue to chase up a transfer that it could have resolved sooner.

I currently uphold Mrs B's complaint for the reasons given above. M&G needs to put things right."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

M&G responded on 7 September 2023 and confirmed it had no further comments. It said it agrees with my award of £200.

Mrs B, through her representative Mr B, responded on 23 August 2023 and made some additional points. She said:

- Normally an incorrect address would result in a bounce back error message. Or, if the address was valid but went to the wrong person, that person would usually

either forward the email to the correct person or reply to the sender with the correct address. And neither happened.

- The third party received replies that in effect said the account details were wrong. This looks like an automated response from a correct address. M&G's wrong email position looks like weak obfuscation.
- M&G must have eventually added the correct number to the manual forms. Neither herself nor the third party had the numbers it needed.
- M&G failed to engage in a helpful or effective way over a long period of time and put her to a great deal of trouble trying to progress something that should've been simple to do.

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 have read the latest submission from Mrs B carefully. She has made some points about what M&G could have done better when it received the transfer requests from the third party, or what it could have done when it received notification that the transfers didn't happen.

I understand what Mrs B is saying about M&G's role in the transfer requests. But I have seen information provided by the third party that show the correct account information was put on the transfer forms. And M&G found out, after it had been informed of this, that the requests had been sent to the wrong email address.

I am persuaded, after reading what the parties have said, that the third party simply sent the transfer form to an incorrect email address held by M&G. I don't think I can fairly conclude M&G were responsible for this or the subsequent failed transfer attempts. I do understand the points Mrs B has made about what M&G could have done to rectify the transfers from its end. But I don't think I would be drawing a fair conclusion if I was to say M&G was responsible for the transfers not happening or any delay being caused by this, based on what I have seen more likely than not has happened here.

That said, I do think M&G should have picked up on what happened with these transfers in May 2022, when it investigated Mrs B's concerns. It did cause a delay by not investigating Mrs B's complaint properly and by doing so it caused her distress and inconvenience. So, I do uphold Mrs B's complaint and M&G need to now put things right.

Putting things right

For the reasons given in my provisional decision and above, M&G needs to:

- Pay Mrs B £200 for distress and inconvenience for making an error that caused a delay. Mrs B had to continue to chase up a transfer that could have been resolved by M&G sooner if it had carried out an investigation properly into why the transfers had broken down.

My final decision

My final decision is that I uphold Mrs B's complaint and direct M&G Securities Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 October 2023.

Mark Richardson
Ombudsman