

The complaint

Miss P complains Scottish Friendly Assurance Society Limited delayed a withdrawal.

What happened

Miss P holds an investment ISA with Scottish Friendly and wanted to withdraw some money for a holiday.

Scottish Friendly didn't action the withdrawal for several days, meaning Miss P had to borrow money from her partner. Miss P complained to Scottish Friendly, and it said her withdrawal had been handled in line with its policy.

Scottish Friendly said it needs ten days to pass following a direct debit being taken, and Miss P's withdrawal request had come in the ten-day window.

Scottish Friendly said the period of non-withdrawal was so it could ensure there was enough time for units in the investment to be purchased using the money from the direct debit.

Scottish Friendly accepted this wasn't in its terms and conditions but didn't think it had done anything wrong.

Miss P brought her complaint to this service and an investigator looked into things. The investigator thought Miss P's complaint should be upheld. The investigator felt the ten-day period of no withdrawals should be in the terms and conditions of the account.

The investigator thought if Miss P had been aware of this limitation to withdrawals, she would have requested the withdrawal sooner. Had this happened, Miss P wouldn't have needed to borrow money, which was embarrassing.

The investigator thought Scottish Friendly should pay Miss P £50 to compensate her for the embarrassment. Miss P accepted the investigator's outcome but Scottish Friendly didn't.

Scottish Friendly said the period of non-withdrawal was its process and it isn't at fault for this. Scottish Friendly asked for an ombudsman to decide things.

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 can understand Scottish Friendly not allowing someone to withdraw against a recent direct debit, but this wasn't what Miss P was doing. Miss P had enough money in her ISA to withdraw the money she needed without using the recent direct debit amount.

Scottish Friendly say the lack of information in its terms and conditions has been raised before. I think Scottish Friendly should consider making the ten-day window of no

withdrawals much clearer to consumers.

I can't compel Scottish Friendly to alter its terms and conditions, or tell it how it should run its internal processes. But I can uphold complaints when terms and conditions or internal processes lead to unfair outcomes for consumers.

In Miss P's case, I'm persuaded she would have asked for the money sooner had the terms been clear about when she could access her money. So, I think the lack of information in Scottish Friendly's terms and conditions has meant Miss P's been unfairly treated.

And I don't think it's fair for Scottish Friendly to simply rely on the fact this is an internal process to say it's done nothing wrong. I think the process has meant Miss P's been inconvenienced, so I think Scottish Friendly has done something wrong.

Miss P's explained it was embarrassing to borrow money for her holiday, and meant she had to disclose information to her partner about her finances. I think this would have been distressing for Miss P, so I think Scottish Friendly should compensate her for this.

Miss P's already said she accepts the investigator's outcome, a payment of £50 to compensate her for the distress and inconvenience she was caused. I think this is a fair amount to pay as well.

I also asked Scottish Friendly to confirm Miss P hadn't lost out on her investment, by cashing out from the ISA later than it should have. Scottish Friendly says the value of Miss P's investment rose between her request and the actual withdrawal, so I don't think Scottish Friendly needs to do more around any investment losses.

My final decision

My final decision is I uphold this complaint and Scottish Friendly Assurance Society Limited should pay Miss P £50 to compensate her for the distress and inconvenience the delayed withdrawal caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 12 December 2023.

Chris Russ
Ombudsman