

The complaint

Mr S complains that Scottish Friendly Assurance Society Limited failed to pay him the closing balance of an ISA he held with the firm in a timely manner.

What happened

Mr S held an ISA with Scottish Friendly. Sadly, he is suffering from a terminal illness so has found his normal income to be less than he expected. He wrote to Scottish Friendly in February 2023 to discuss withdrawing the balance of an ISA that he held with the firm. Scottish Friendly replied to Mr S by email to explain that a withdrawal would be possible and that the funds would typically be returned to his bank account within 3 to 5 working days.

Shortly after receiving that email Mr S was hospitalised for a period of time. On his return home, he got in touch with Scottish Friendly to ask for his ISA to be closed and the funds paid to his bank account. That request was sent on 20 March. Mr S says the timing was of importance since he needed to use the funds to repay a catalogue shopping account before it became liable for interest charges on 29 March.

Mr S got back in touch with Scottish Friendly on 24 March, and again on 28 March, as he'd not received any response to his withdrawal instruction. Scottish Friendly acknowledged Mr S's instruction on 29 March, and sent the payment to his bank the same day. Mr S complained about the time it had taken for the funds to be sent.

In response to his complaint, Scottish Friendly told Mr S that it would normally expect to process an instruction of this nature within five business days, but it might take a further three to five days before any payment reached a consumer's bank account. It accepted that it had taken too long to initially process Mr S's instruction (seven business days) so it offered him £100 compensation for the inconvenience he'd been caused. Mr S didn't accept that offer and brought his complaint to us.

Mr S's complaint has been assessed by one of our investigators. She thought that the information Scottish Friendly had given to Mr S in February gave him a reasonable expectation that his withdrawal would be paid to reach his bank account within three to five working days. She thought that Scottish Friendly should pay Mr S £250 for the inconvenience he'd been caused. And she asked Mr S to provide her with more details about the additional interest he'd needed to pay on his catalogue shopping account.

Scottish Friendly didn't agree with the investigator's assessment. It thought that the compensation of £100 it had previously offered was sufficient. Mr S said that he was facing some problems accessing the information requested by the investigator as his computer was being repaired. So, as the complaint hasn't been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process. If Mr S accepts my decision it is legally binding on both parties.

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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr S and by Scottish Friendly. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

Scottish Friendly has told us that it doesn't generally publish information about its processing timescales. So it seems to me that, where a time important transaction was being considered by a consumer, it would be prudent, and entirely reasonable, for that consumer to make enquiries of Scottish Friendly to understand what timescales might apply. And that is exactly what Mr S did when he emailed Scottish Friendly in February 2023.

The response that Mr S received from Scottish Friendly said the following about his ISA;

"[The ISA] can be cashed in at any time, should you wish to do so please confirm by reply email. The funds would be returned to the bank account details which your premiums are collected from, this process typically takes between 3 to 5 working days"

So Mr S says the information he was given provided a clear indication that the withdrawal of his funds could be requested by email, and that the money would typically be returned to his bank account within 3 to 5 working days.

Largely I agree with what Mr S has said here. I have considered that the information was provided to Mr S around a month before he made his withdrawal request. It could be argued that he might have made his request far sooner, and not made it as close to the point at which he required his funds. But, as I've explained earlier, Mr S was hospitalised for much of that time – so I don't draw any adverse conclusions from the delay.

I also note that the information Scottish Friendly provided did not give Mr S any guarantee – the specific wording it used was "typically". But I haven't seen anything to make me think that Mr S's request was anything other than a standard request that could be processed quickly and easily. And I think that was demonstrated by Scottish Friendly picking up Mr S's request, and dealing with it, on the same day in late March after he had chased the firm for an update.

So I don't think Scottish Friendly has treated Mr S fairly. I think it delayed the processing of his withdrawal request compared to the information it had given him about its typical processing times. I think Mr S had a reasonable expectation that the monies would reach his bank account within the stated 3 to 5 business days following receipt of his email instruction.

Mr S, when he first made his complaint, said that the delay meant he needed to pay some interest on a balance he held on a catalogue shopping account at the end of a promotional period. When I looked at the complaint I thought it reasonable that any interest of that nature should be refunded to him if it arose as a result of the delay. So I asked the investigator to repeat her request to Mr S for evidence of any additional interest he needed to pay as a

result of the delay. Mr S has failed to respond to that request (or provide the information that was first requested by our investigator in September 2023 when he told us his computer was being repaired).

This service operates as a quick and informal alternative to Court proceedings. But I can only make awards where they are supported by evidence. As Mr S has failed to provide the requested evidence of any additional interest charges he needed to pay as a result of the delay, I don't think it reasonable that I should ask Scottish Friendly to pay any compensation of that nature.

But, there is no doubt that the delay will have caused Mr S some distress and inconvenience. I agree with our investigator that the £100 offered by Scottish Friendly is insufficient. I think a payment of £250 better reflects the inconvenience caused to Mr S, particularly considering the vulnerability he faced given his health condition.

Putting things right

Scottish Friendly should pay the sum of £250 to Mr S for the distress and inconvenience he was caused by the delayed payment.

My final decision

My final decision is that I uphold Mr S's complaint and direct Scottish Friendly Assurance Society Limited to put things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 April 2024.

Paul Reilly
Ombudsman