

The complaint

Mrs H complains about the way that Shawbrook Bank Limited ('Shawbrook') dealt with an Individual Savings Account (ISA) transfer request.

To put things right, Mrs H would like a full investigation to find out why the transfer failed and compensation for financial loss and she believes Shawbrook should be fined for what happened.

What happened

Mrs H wanted to transfer an ISA she held with Shawbrook to a new provider I will refer to as 'Y'.

The following timeline briefly summarises the course of events that followed:

- 15 April 2023 –Mrs H contacted Y online to arrange the transfer of her ISA from Shawbrook. She supplied all the necessary information including her account number at Shawbrook and the account sort code.
- 17 April 2023 – Y inputted details into the electronic system used by both Y and Shawbrook to process the ISA transfer between them and sent the transfer request to Shawbrook. The transfer request was received by Shawbrook the same day.
- 18 April 2023 - Shawbrook rejected the transfer. Its records show that the transfer request couldn't be accepted for the following reason: '*Terms of ISA offer breached*'. Y received an electronic notification saying: 'REJECTED BY OTHER PROVIDER: NO ACCOUNT.' This prompted Y to abandon the transfer, resulting in '*ABANDONED: ACCOUNT NOT TRANSFERABLE*' being recorded on the ISA transfer processing screen print. Y sent a secure message to Mrs H letting her know that it could no longer continue with the transfer and suggested she contact Shawbrook.

After speaking with Y, Mrs H believed that Shawbrook was responsible for the fact her transfer request had failed and she contacted Shawbrook to complain about what happened and to reconfirm her transfer instructions.

Shawbrook said it hadn't received all the information needed to process her transfer request and didn't accept that it had done anything wrong. Shawbrook told Mrs H that she would need to get back in touch with Y and arrange for a further transfer request to be sent if she wanted the transfer to go ahead.

Mrs H didn't feel this resolved things and so she brought her complaint to us and one of our investigators looked into what happened.

Our investigator didn't uphold Mrs H's complaint. She acknowledged that the transfer request sent by Y included Mrs H's correct Shawbrook account number and accurately showed the account sort code. But as this essential information hadn't appeared on the

screen that Shawbrook saw, and the system couldn't process the transfer request without it, our investigator didn't feel that Shawbrook was to blame for what happened when the transfer failed. And the investigator didn't feel Shawbrook was responsible for any losses arising as a result of Mrs H deciding to withdraw funds from her ISA when instead she could have made another transfer request.

Mrs H disagreed with our investigator. She mainly said that as the automated system involves no human intervention, it follows that Shawbrook must have done something wrong and is covering up a mistake.

As the complaint hasn't been resolved, it comes to me for a final 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 sympathise with Mrs H – I can completely understand that what's happened has been upsetting and frustrating. But having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

It's my understanding that Mrs H blames Shawbrook for what happened mainly because she is satisfied that Y didn't do anything wrong and she doesn't think the transfer failed due to a computer error, because the correct details entered by Y would have been transferred to Shawbrook.

It's not part of my remit to impose a penalty on a financial business for any wrongdoing - that's the role of the regulator, the Financial Conduct Authority (FCA). My role is to consider the evidence presented by Mrs H and Shawbrook, and reach an independent, fair and reasonable decision. I appreciate it's upsetting when there's contradictory information and no clear understanding of exactly what happened. But carrying out a forensic investigation is not my main focus and I'm not required to do that in order to reach a decision – I'm concentrating on whether Shawbrook did anything wrong and looking at whether it acted in a fair and reasonable way.

It is important to make clear that my findings are made on a balance of probabilities, in other words, what is more likely than not, based on the evidence that has been provided by the parties. In simple terms, to uphold this complaint there would have to be persuasive evidence that made it more likely than not that Shawbrook did something wrong or acted unfairly or unreasonably.

I have not seen any such evidence in this case. I've looked at the same screenshot that I understand Shawbrook saw when it received Y's transfer request. In the 'Account Details' section, where I would expect to see Mrs H's Shawbrook customer account number and the account sort code, those details aren't shown. I've also seen a copy of one of Mrs H's successfully completed transfers which shows this information correctly completed. Whilst I can't say for certain what happened here, this tends to suggest that, on balance, the problem wasn't at Shawbrook's end and it's more likely that something went wrong on this occasion during the automated process (owned and operated by a third party unconnected to Shawbrook) when information was sent electronically from Y.

So I don't find that Shawbrook did anything wrong that caused the transfer request to be rejected.

Call recordings have been provided and I've carefully listened to what Mrs H said on the phone. I can completely understand why she was so concerned when Y told her the transfer request was refused on the basis her account was '*abandoned*' and she was worried this might mean something had happened to the money in the account. Mrs H knew that there should have been more than £20,000 in her ISA. Shawbrook's call handler accurately told her that it didn't look like the correct information had been received from Y. He said he would investigate. Shortly afterwards, someone else from Shawbrook called back and said she'd checked with the ISA team and Shawbrook didn't 'cancel' the ISA transfer. She didn't know the reason why it wasn't transferred but she confirmed Mrs H's money was held in the account and it was up to Y to make the transfer application if this was to go ahead. I don't find that Mrs H was misinformed by Shawbrook in any respect.

Mrs H didn't accept this. She said Y had already sent a transfer request with all the information needed and told Shawbrook she was giving it an instruction to '*...do the transfer now.... today*'. It is clear that by this time Mrs H had lost all confidence in Shawbrook saying: '*I don't trust your bank*'. But this isn't a reason for me to uphold her complaint. I find that Shawbrook dealt in a fair and reasonable manner with Mrs H – it told her, correctly, that it couldn't action the transfer over the phone and that it needed to receive a properly completed transfer request from her acquiring provider.

I can understand why some of the system information recorded and reported to Mrs H may have caused some distress and given Mrs H an incorrect impression that her money was at risk. But I think it's likely that there were limited options on the automated system and this was largely beyond Shawbrook's control. In any event, I can't tell a business how it should operate or what to put in its records. So this makes no difference to the complaint overall.

I can't fairly say that Shawbrook was responsible for the consequences of Mrs H deciding to withdraw the money in her Shawbrook ISA. Unlike a transfer between ISA providers, this meant the funds came out of the 'ISA wrapper'. In other words, interest earned would no longer be treated in the same way as tax free interest earned in an ISA, with potential tax implications for Mrs H.

But this was Mrs H's decision. Shawbrook had confirmed that her money was still held in her ISA – and she'd just had a statement from Shawbrook confirming this. So Mrs H was able to be reassured that her money was safe. She had the option of asking Y to make another transfer request. Or she could have approached a different ISA provider and made a transfer request. There's no particular reason to think that another transfer request wouldn't have been successful.

All this leads me to the conclusion that I haven't seen enough overall to be able to say that it was an error by Shawbrook that led to the transfer request failing or that Shawbrook treated Mrs H unfairly or unreasonably. So it follows that I can't uphold this complaint.

I have noted that Shawbrook sent Mrs H £50 as a gesture of goodwill by way of an apology for closing her complaint without first checking back with her. That doesn't affect the outcome of her complaint.

I'm sorry to disappoint Mrs H. But as I'm satisfied Shawbrook dealt with her complaint fairly I'm not telling it to take any further action.

If I have not referred to everything mentioned during the course of the correspondence about this complaint, it's because I have nothing further I can usefully add to what our investigator has said already. In my decision, I have concentrated on what I consider to be the main points that affect the outcome of this complaint. This reflects the fact that we provide an informal complaints handling service as a free alternative to the courts.

I hope that setting things out as I've done explains how I've reached my conclusions and even though this isn't the outcome Mrs H hoped for, she will at least feel that the Financial Ombudsman Service has fully considered her complaint.

My final decision

My decision is that I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 February 2024.

Susan Webb
Ombudsman