

The complaint

Mr B is unhappy that Clydesdale Bank Plc ('Clydesdale') failed to carry out an individual savings account ('ISA') transfer in line with his request.

What happened

On 31 October 2022 Mr B says he made a request to transfer his Clydesdale cash ISA to another bank ('bank A'). He received confirmation from bank A it hadn't been able to complete the transfer as Clydesdale had informed it that the ISA was not transferrable. Mr B returned from holiday and discovered the transfer hadn't been successful. He tried a second time but this attempt was also unsuccessful.

Mr B contacted Clydesdale on 16 December 2022 to query this but didn't receive a response. On 28 December 2022 Mr B requested a transfer to a different bank ('bank B') and the transfer was successful and completed on 3 January 2023.

Mr B complained to Clydesdale. He said his original ISA transfer was incorrectly denied and as a result he'd lost interest. Clydesdale upheld his complaint in part. It agreed it hadn't provided good customer service while Mr B was making his complaint and offered him £150 to acknowledge this. But, it had no record of the unsuccessful ISA transfers that took place in October 2022. So it didn't feel it was at fault for these transfers not being successful.

Mr B didn't accept this and brought the complaint to our service. I issued my provisional decision, and excerpt of which I've included here:

Bank A - the first bank Mr B tried to transfer his ISA to - has provided evidence that on 31 October 2022 he contacted it to arrange the transfer of funds from his Clydesdale ISA. It's provided its internal records which show it contacted Clydesdale to facilitate this request and Clydesdale rejected it. Mr B has also provided the letter that Bank A sent to him in early November 2022 confirming Clydesdale had advised the transfer was not possible.

Throughout this complaint Clydesdale has maintained it didn't receive the first or second transfer requests and it's said it doesn't have any record of ever having received them. But on balance, based on Mr B's testimony and the evidence received from Bank A, I think it's more likely than not they were made.

Mr B appears to have successfully transferred a different ISA he held with Clydesdale shortly before the unsuccessful attempts. And the third request Mr B made to transfer the ISA this complaint centres on was successful. So it seems likely Mr B was doing what he needed to do in order to successfully facilitate the transfers.

As Clydesdale has stated throughout this complaint that it has no records at all relating to the unsuccessful transfer attempts, it doesn't seem it will be able to provide any evidence to support that the transfer was denied for a legitimate reason.

Taking all of this into account and based on the evidence available, on balance, I think it's more likely than not Mr B's ISA transfer wasn't carried out due to an error on Clydesdale's part. As a result I think it's caused a delay in Mr B moving his money.

Putting things right

It's clear the delay in moving Mr B's money has caused him some financial loss. The interest rates applicable to the accounts with both bank A and bank B were higher than the rate applicable to his Clydesdale account. So he has lost the benefit of this higher rate for a period.

Mr B has said Clydesdale has caused a 64 day delay in transferring his ISA – the days between 31 October 2022 when he made the request and 3 January 2023 when it was completed with Bank B. But I think there are some other factors to take into account.

The first is that the transfer was always going to take some days to complete. Terms and conditions suggest it will take five working days, and the successful transfer took five days in total. As 31 October 2022 was a Monday, based on how long the successful transfer took, it seems to me the earliest the request likely would've completed was Friday 4 November 2022 – 60 days before it actually completed on 3 January 2023.

Much of the delay between the unsuccessful and successful transfers was because Mr B was travelling abroad between 5 November 2022 and 10 December 2022. But I don't think Mr B should be disadvantaged by this. I think it's reasonable he assumed the transfer had gone through without any problems. He'd already transferred one ISA successfully the previous month. And as I've outlined above, it appears the reason it wasn't transferred is likely because of Clydesdale's error, not Mr B's. So I don't think he had reason to be concerned the transfer wouldn't be carried out in line with his instructions.

As soon as he returned he attempted another transfer, which again was denied. And, following the second denied request Mr B took the reasonable steps of trying to contact Clydesdale to find out what the problem was. He then waited 12 days to hear back from it before attempting a third transfer.

I think it's reasonable he waited a further 12 days to hear from Clydesdale before trying again given he had no way of knowing if the transfer would be successful. Clydesdale's records show it didn't contact Mr B about his complaint until around a month after he made it – after he had already successfully transferred his ISA to bank B.

Overall I think had the transfer gone through as it should've this likely would've happened 60 days sooner than it did. Mr B did still earn interest during this time as his money remained in the Clydesdale account. But he was earning interest at a rate of 1.15% rather than the 3.95% he would've been earning had his money been moved in line with his first request.

As well as the financial loss Mr B has suffered due to the delays I can see this situation would've caused him some inconvenience and worry both while he was trying to request the transfers and when he was making enquiries with Clydesdale. But I'm mindful he was unaware of the problem for much of the delay as he was out of the country. I do think there would've been inconvenience in trying to transfer his ISA a second, and third time, and frustration when he didn't receive any response from Clydesdale when he queried what had happened.

I can see Clydesdale has already offered Mr B £150 for the delays in responding to his concerns and general poor customer service. I think it should increase this offer to £200 to acknowledge the additional inconvenience in having to make several transfer requests.

Clydesdale should:

- *Pay Mr B 60 days of interest on the amount he transferred at a rate of 2.8% - the difference between the rate applicable to his Clydesdale account (1.15%) and the account he initially tried to transfer his money to (3.95%)*
- *Pay £200 in total for the distress and inconvenience caused*

Clydesdale responded to my provisional decision and said it wanted to settle the complaint as it had accepted there had been some errors in Mr B's case. It made an increased offer of 64 days of interest plus the £200 total compensation for the distress and inconvenience caused.

We let Mr B know about this increased offer. He accepted the settlement of interest offered but didn't accept the settlement on the whole as he felt Clydesdale should pay more compensation for the distress and inconvenience caused. He felt between £300 and £750 would be more in line with our guidelines and his expectations.

As Mr B didn't accept the provisional decision or Clydesdale's revised offer, the case has been passed back to me to issue 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.

It's clear there were delays in transferring Mr B's ISA due to a problem on Clydesdale's part. So it should pay for the interest Mr B has lost as a result of these delays. In response to my provisional decision, it's acknowledged the transfer could've happened 64 days sooner than it did. So I'm satisfied it should pay the interest outlined below for a period of 64 days.

With regards to the compensation I've recommended in this case, as I've outlined above, Mr B doesn't think the £200 I've recommended is enough. I've considered his comments, but I'm not persuaded to depart from the findings in my provisional decision and I think £200 overall is appropriate in this case.

In reimbursing him for the interest Mr B has lost as a result of delays Mr B's actual financial loss has been addressed in this case. And, as a result of Clydesdale's errors he was able to shop around and gain a slightly better rate than the rate he would've received had his first transfer been successful. So, whilst this was down to his actions rather than Clydesdale's, Mr B is potentially in a slightly better financial position overall than he would've been had the error not occurred.

What's left to address in this case is the distress and inconvenience Mr B has suffered as a result of Clydesdale's error. Mr B feels he suffered considerable distress in this case and has needed to take considerable steps to resolve the situation.

Mr B carried out an initial ISA transfer request which he always would've had to do in order to switch accounts. He then went away for around one month and had no awareness this request hadn't been successful. So during this first month, all he suffered was the financial loss which would be addressed by a reimbursement of the interest lost.

When he returned he discovered the transfer hadn't been successful and he tried again. Which was additional inconvenience in having to complete another request. Some weeks later when this request hadn't been completed Mr B contacted Clydesdale. Around two weeks after that he completed a third transfer request which was successful.

In considering what amount would be reasonable in this case I've taken into account the two additional ISA requests that Mr B shouldn't have had to carry out. I've also taken into account that Mr B wouldn't have known why the first two transfers hadn't been successful and that Clydesdale didn't respond to Mr B's query about his ISA in December 2022 which would've been frustrating.

Overall I can see from start to finish this situation spanned some months. But I haven't seen evidence to persuade me Mr B needed to take action or was considerably impacted by the situation constantly throughout this time. It seems the inconvenience was limited to the second and third transfer requests and his complaint to Clydesdale. And, the reason the situation continued for as long as it did was in part because of Mr B's travel abroad and the time in between his requests. Despite this, the initial mistake was Clydesdale's, so I think it's fair it should compensate him for the entire delay and not part of it.

Whilst I can see the situation would've likely caused Mr B more annoyance than is reasonably expected from day to day life, and has taken reasonable effort to sort out, I haven't been persuaded by what he's said that he has suffered considerable distress and inconvenience. It seems the worry in this case would primarily have been the interest Mr B was losing which Clydesdale has agreed to reimburse him for.

Clydesdale had already offered Mr B £150 for the delay in responding to him in December 2022. I've considered whether I think this is enough compensation overall when also considering the additional ISA transfers he had to make, the inconvenience this involved, and his frustration that the transfers hadn't been successful. I didn't think it was enough, and I recommended £200 overall. I remain of the view this is fair and reasonable in this case.

In order to put things right, Clydesdale should:

- Pay Mr B 64 days of interest on the amount he transferred at a rate of 2.8%
- Pay £200 in total to acknowledge the distress and inconvenience caused

My final decision

I uphold this complaint and direct Clydesdale Bank Plc to pay the settlement outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2024.

Faye Brownhill
Ombudsman