

The complaint

Mr G has complained about Nationwide Building Society's (Nationwide's) role in delays he experienced when transferring an Individual Savings Account (ISA) to them.

What happened

Mr G held ISA and savings accounts with Nationwide, as well as an ISA with a third-party manager. He was looking to transfer that and some existing holdings with Nationwide, into a new two-year fixed rate ISA with them.

The two-year ISA was available until 18 May 2023. Mr G first requested the transfer in a Nationwide branch on 24 April 2023. However, Mr G says that it wasn't completed until 6 June 2023 due to Nationwide errors. He complained that he'd missed out on the fixed rate deal, which had caused him financial loss.

Nationwide responded to Mr G in June 2023 and partially upheld his complaint. They said they had 15 days to complete the transfer and that the transferor had contributed to the delay. They acknowledged they initially accepted an incorrect transfer form from Mr G in error. Mr G had to visit the branch again on 3 May 2023 and the transfer request was sent the next day (almost two weeks later than it should). They paid Mr G £80 for this.

Mr G remained unhappy and didn't accept the offer. He said that whilst Nationwide had chased the transferor on 17 May and 1 June 2023, one of these chasers went to the wrong third-party email address. He felt they had significantly contributed to him missing the deadline for the rate.

Our investigator looked into it. He didn't think Nationwide had done enough to put things right following their errors. He said Nationwide should pay Mr G £100 for the loss of ISA interest caused by their errors. It should also pay a distress and inconvenience sum of total £250 for the poor complaint handling experience it provided, the extra branch visit he had to make and the increased workload in raising a complaint to the third party.

Mr G was initially happy with the resolution put forward by the investigator, but later said Nationwide should compensate him for a fee incurred in transferring an investment away from Nationwide at a cost (so he didn't exceed the £85,000 FSCS limit). Nationwide said the branch had made an administrative error on 24 April 2023, causing Mr G to visit the branch again on 3 May 2023. However, it correctly sent the transfer form on 4 May 2023. They said it was for the transferor to send the money to them and that whilst one of the chasers was sent to an incorrect email address, the transfer request had already been initiated correctly. They offered a further £150, to the £80 already paid and later increased this to £250. Mr G felt it should be more.

As no agreement was reached, the case has been passed to me for a 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.

Nationwide have acknowledged they made errors and caused delay to Mr G's transfer to them. What I have to establish is the loss these errors caused and how Nationwide should put things right.

Mr G was transferring approximately £1,500 from the previous ISA manager. Following this, he was going to switch approximately £6,000 from his existing Nationwide flexible ISA and then contribute a further £20,000 (full years ISA allowance) to the Nationwide two-year fixed ISA. The transfer should have been initiated on 24 April 2023, but due to a Nationwide error, it wasn't until 4 May 2023.

The transfer wasn't completed until 6 June 2023. At which point the fixed rate deal had ended and Mr G later transferred to a different provider. Whilst I acknowledge there were clearly some issues with the transferor, Nationwide also exacerbated this by sending chaser emails to an incorrect email address. They have offered £80 for the loss of interest in this period and I think this is fair for what I have considered the financial loss during this time to be.

Nationwide's errors also caused distress and inconvenience to Mr G. He had to visit the branch for a second time to initiate the transfer. He also was assured the transfer was being chased despite the chasing emails going to an email address Nationwide should have known was incorrect. This led to Mr G raising a complaint with the third party, when Mr G says he wouldn't have done had the chasers been sent correctly. Our investigator suggested £250 compensation for the inconvenience this caused. Considering the impact it had on Mr G, and the time this episode took, I think that is a fair amount.

Mr G has said Nationwide should cover the charge he suffered for moving investments away from Nationwide in anticipation of this transfer, so he didn't exceed the £85,000 FSCS cover limit. He says the errors meant this wasn't necessary. However, I don't agree that Nationwide should refund this charge to Mr G. He made a decision to do that (in his attempt to receive a higher rate). He was not required to do so, and I don't see it as a consequential loss from Nationwide's errors.

In summary, I think the £80 Nationwide have already paid for the financial loss Mr G suffered due to their errors and delays is fair. However, they should pay Mr G a further £250 for the distress and inconvenience they also caused.

My final decision

My final decision, for the reasons set out above, is that Nationwide Building Society should pay Mr G a further £250 (£330 total), as compensation for errors caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 March 2024.

Yoni Smith
Ombudsman