

The complaint

Mr P complains about delays and poor service when trying to move his ISA to Lloyds Bank PLC.

What happened

Mr P had an existing ISA with a business I'll refer to as N and in June 2023 applied to transfer it to Lloyds. Mr P's explained that numerous ISA transfer requests failed and that he was given contradictory information by Lloyds and N.

Mr P complained to Lloyds and it looked at what had happened. Lloyds initially said N had used the wrong National Insurance Number in the transfer request. But it later came to light that there was a systems issue at Lloyds which meant the transfers were failing. There were several delays during the transfer process.

Lloyds upheld Mr P's complaint and agreed to pay him a total £190 for the distress and inconvenience caused and make a payment to cover the interest he'd lost out on. Lloyds later confirmed it was willing to pay Mr P £201.75, representing the 3.15% interest rate he would've got had the ISA transfer completed in June 2023. When Mr P's ISA transfer completed at the end of October 2023, an interest rate of 5% was applied.

An investigator at this service looked at Mr P's complaint. They thought Lloyds had made a fair offer to cover the lost interest Mr P would've received and that its payment of £190 reasonably reflected the level of distress and inconvenience caused. Mr P asked to appeal, so his complaint has been passed to me to make 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

Where a consumer has lost out financially due to the actions of a business we'd expect it to put them back into the position they would've been in had no error been made. Here, Mr P applied for an ISA that had an interest rate of 3.15% but due to delays and systems issues with Lloyds, the transfer wasn't completed in June 2023 when he first instigated the transfer process. The transfer completed at the end of October 2023. I appreciate the relevant interest rates at the time may have been higher, but I'm satisfied it was fair for Lloyds to use the interest rate of the ISA Mr P applied for in June 2023 in its refund calculations.

In response to Mr P, Lloyds agreed to refund the his ISA funds would've accrued if the transfer had completed in June 2023 as planned. I've seen Lloyds' calculations and I'm satisfied they correctly identify the interest Mr P missed out on and fairly cover that loss. I note the calculations actually run to 1 November 2023 and covered a 142 day period. Again, I'm satisfied that's reasonable. So whilst I understand Mr P may have some concerns over the level of interest Lloyds agreed to pay, I haven't seen any mistakes in its calculations or that the final figure used was too low.

In addition to refunding the interest Mr P lost out on, Lloyds paid him a total of £190 for the distress and inconvenience caused by the delays and service provided. I can see that Mr P was proactive in contacting Lloyds and don't doubt how frustrating the repeated mistakes were over a period of over four months. But I think the payment of £190 fairly reflects the level of distress and inconvenience caused to Mr P and is a reasonable way to resolve his complaint. To put it another way, the settlement is very much in line with what I would've told Lloyds to pay had no offer been made.

As I'm satisfied Lloyds has already agreed a settlement that reasonably reflects Mr P's losses and fairly compensates him for the distress and inconvenience caused, I'm not telling it to take any further action.

My final decision

My decision is that Lloyds has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 March 2024.

Marco Manente
Ombudsman