

The complaint

Mr B complains that Clydesdale Bank Plc trading as Virgin Money requested the transfer of his money from his Individual Savings Account (ISA) before the requested date.

What happened

Mr B made an online request to transfer his ISA from another bank to Virgin Money. He requested this be processed on 3 March 2023 (when his ISA had matured), however he says that Virgin Money ignored his request and attempted the transfer on 2 March 2023. This was rejected by the sending bank which he says caused him stress, frustration and a loss of interest. Mr B says Virgin Money denies that it made the early request, but he was told this had happened by the other bank and he received a message the day before maturity about the transfer.

Virgin Money issued its final response dated 28 April 2023. It said its records showed Mr B requested a transfer from another bank to his fixed rate ISA on 9 February. This was marked as 'no early closure' and was pended to transfer on 3 March. It said Mr B reinitiated the same request on 16 February and this was also pended for 3 March. It said that on 3 March the transfer was rejected by the other bank. It said it hadn't requested the transfer before the maturity date.

Mr B didn't accept Virgin Money's response and referred his complaint to this service.

Our investigator didn't uphold this complaint. He said that evidence hadn't been provided to show that Virgin Money had requested the transfer early.

Mr B didn't agree with our investigator's view. He asked what evidence had been provided to establish that the transfer request hadn't been made early. He said that the other bank had evidence of this.

My provisional conclusions

I issued a provisional decision on this complaint, the contents of which are set out below.

I have considered the evidence Mr B and Virgin Money have provided as well as information received from the transferring bank.

Mr B requested that his ISA be transferred to Virgin Money on 3 March as this was its maturity date. On 2 March he was sent a text message from the transferring bank asking if he still wished to proceed with the transfer and he responded to this confirming that he did wish to proceed. Given this I find that Mr B would have reasonably expected his transfer to take place the following day in line with his instructions. Mr B checked his Virgin Money account on 3 March and the following day, but the funds hadn't been transferred.

Virgin Money said the transfer didn't happen because the request was rejected by the transferring bank. The transferring bank said that the transfer had been cancelled. Having looked through the evidence provided I can see that the transfer request set up on 9

February (Request 1) was set as pending to 3 March by Virgin Money. Likewise, the duplicate request (Request 2) made on 16 February was also set as pending for 3 March.

On 1 March a 'transfer out' request was received from Virgin Money in relation to Request 1. The transferring bank diarised this task for after the ISA maturity on 3 March. This all seems reasonable. However, on 2 March a second 'transfer out' request was received from Virgin Money in relation to Request 2. The transferring bank notes this as a duplicate and the request is rejected. The notes then refer again to the ISA transfer and state this will happen post maturity with a fixed out date of 6 March. A further 'transfer out' request was then received from Virgin Money on 4 March.

Mr B contacted Virgin Money on 4 March as his transfer hadn't taken place and he had been told this would happen on 3 March. On this call Mr B is told his transfer has been rejected due to a transfer error. While it is clear that a duplicate request was rejected it isn't clear that had Mr B not taken further action at that time whether the actions diarised for 6 March would have happened.

This complaint is against Virgin Money and so I have considered whether its actions resulted in the issues Mr B experienced with the transfer of his ISA. While I can see that requests were made before the maturity date these were set to be actioned after the maturity date which I find reasonable. It does however seem that an issue has arisen resulting from the rejection of the duplicate request.

Mr B decided not to transfer his ISA to Virgin money on 4 March and instead put his funds elsewhere. Therefore, I cannot say that this issue resulted in a financial loss for him. However, he needed to spend time trying to establish what had happened and why his transfer hadn't happened. As this appears to be in part due to the duplicate request being made by Virgin Money, I find it did contribute to the issues Mr B experienced. Therefore, in this case I think it should compensate him for the distress and inconvenience he was caused, and I think a payment of £100 is reasonable.

Virgin Money didn't accept my provisional findings. It said that Mr B's account was an Online account, opened and administered by the customer. It said both ISA transfer requests were initiated by Mr B alone and it had no involvement in the transfer(s), apart from sending a message to Mr B prior to the date he instructed the transfer to take place. It said Mr B had instructed the transfer as 'no early closure' and this was why it was pending until after maturity.

Virgin Money said that it did not pending the transaction nor cancel one instruction, instead this was initiated by Mr B online. Based on this it didn't accept it had acted incorrectly, or that it should pay compensation.

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 have taken on board the comments made by Virgin Money in response to my provisional decision, specifically that the transfer process is automated, and the requests were made by Mr B. However, in this case, I still do not find that Mr B was provided with the service he should have been. I say this because having listened to the call between Mr B and Virgin Money on 4 March, he explains that he was told that his ISA transfer would happen on the 3 March, and this didn't happen. He is then told that there was a transfer error and his transfer had been rejected. He is also told that he shouldn't have been told the transfer would happen on 3 March and that this is only a guideline (as I haven't heard this call I cannot say

exactly what was said but it is clear that Mr B had expected the transfer to happen on the 3 March).

As I set out in my provisional decision, it appears that a transfer request was rejected due to the duplicate request. While it may have been the result of Mr B making the duplicate request, this information wasn't provided to him and he wasn't made aware that a transfer might have still been in process. Because of this Mr B had to make further calls trying to understand what was happening. It is clear from his testimony that this issue caused him stress and inconvenience which I find in part was due to the information provided by Virgin Money. Because of this, while acknowledging Virgin Money's comments, I find it is reasonable it pays Mr B compensation and in this case I find that £100 is a fair amount.

Putting things right

Clydesdale Bank Plc trading as Virgin Money should pay Mr B £100 compensation in resolution of this complaint.

My final decision

My final decision is that Clydesdale Bank Plc trading as Virgin Money should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 February 2024.

Jane Archer
Ombudsman