

## The complaint

Ms H complains that the Yorkshire Building Society (YBS) hasn't sent the documents she requested and incorrectly processed an Individual Savings Account (ISA) transfer application and didn't notify her of an interest penalty, and didn't provide interest rates on its statement.

## What happened

Ms H said YBS didn't provide its records regarding her ISA transfer from another provider (I will call Bank A) in response to her request. She said YBS hadn't told her an interest penalty would apply, or that it had requested the transfer be made on 11 April 2023. This caused her to lose 30 days' interest following two transfers from Bank A of £19,476.75 and £1,005.16 on 13 and 16 April 2023. Ms H asked about the interest rate on her account ...9607.

Ms H said her numerous requests for YBS's records have been ignored. She said her interest loss should be backdated into her ISA, and she should be compensated for YBS's failures. She said YBS hadn't explained the 'precision' of interest rate shown on statements against every deposit she had made, as the regulations require. Ms H complained to YBS.

YBS said it hadn't made an error in its handling of the ISA transfer, as it had followed Ms H's instructions. YBS said Bank A's request was to proceed immediately with the transfer and not wait for the 30-day notice period. YBS stated that information about the blended interest rate and data request would follow shortly. YBS refunded £2.27 interest that Ms H had lost.

Ms H was dissatisfied with this response and referred her complaint to our service. She said YBS hadn't paid £2.27 interest compensation into her ISA due to interest underpayment.

Our investigator didn't recommend the complaint be upheld. He said Ms H's position that she instructed YBS to await 30 days' notice so as not to lose interest, is contrary to the transfer application which shows 'proceed immediately' as selected. He said this option advises of an interest penalty. Ms H said this isn't the form she completed as she marked the box 'to serve full 30-day notice' and that YBS made a mistake.

The investigator said he hadn't seen the original transfer form, but YBS had said there were no data discrepancies on this form, and it was sent electronically to Bank A in line with Ms H's instruction. The investigator said Ms H contacted Bank A the day after she completed the application to re-iterate service of the 30-day notice period, but he had no clarity as to why she did this. He said Bank A applied the interest penalty in line with the instruction, and Ms H would have been aware of this and there was no requirement for YBS to inform her.

The investigator said YBS received Ms H's subject access request on 12 May 2023 and provided all the personal information it held to her registered e-mail address on 22 May and then to us as Ms H said she hadn't received it. Ms H thought this was incomplete as it didn't include messages between YBS and Bank A. But YBS said there were no further messages on the transfer as it was processed immediately electronically. The investigator was satisfied YBS complied with the timescale to send the information and met its obligations under data legislation. He said it isn't our role to decide if YBS breached the information rights law and Ms H can contact the Information Commissioners Office about this.

The investigator said Ms H holds a flexible tiered interest account, which means a different rate of interest is paid on each proportion of the balance – it pays 5.2% on the balance between £1 - £20,000 and 4.7% over £20,001, and so her blended rate is 5.1%. He said this

is provided by YBS to help Ms H compare with other accounts and is used where YBS can't provide a statement with a table of all the tiers. He said this is also provided on its website and Ms H was also provided with a factsheet with information about the tiered interest rate. He was satisfied YBS has provided Ms H with sufficient information about the interest rates.

Ms H disagreed with the investigator and said his summary is full of mistakes and doesn't address the precision of interest on YBS's statements. She said YBS's transfer form didn't specify that she would lose interest; and the investigator hadn't provided the screens, nor the logic applied to all screens she completed. She said YBS should be able to show where this warning message is coded, and under what circumstances it is output to screen so the customer can see it. Ms H said the investigator hadn't addressed whether the £2.27 interest can be added to her ISA without affecting the £20,000 limit under HMRC's ISA Guidance.

The investigator responded further but did not change his mind about the complaint. He said there's no evidence to suggest YBS made an error during the transfer, and it provided its records to Ms H within the timescale and sufficient information about its interest rates. He said YBS paid Ms H £2.27 as the interest she lost during the process as a goodwill gesture, not as an admission it did anything wrong.

Ms H maintained that she marked the box 'to serve full 30-day notice' and that YBS have processed her request incorrectly. YBS say there were no data discrepancies on this form and have completed and sent it electronically to Bank A in line with Ms H's instruction. Ms H disagreed with the investigator and requested an ombudsman review her complaint.

### **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 reviewed the available information and the parties' submissions to see if YBS has followed Ms H's instructions and provided her with the information she has requested. And to see if it has treated her fairly concerning her requests for information.

Where the parties disagree about what has happened in a complaint, we have to decide on the balance of probabilities, in other words what we think is most likely to have happened. YBS has provided a data copy of the form it says Ms H completed to carry out the ISA transfer. Ms H says this is not the form she completed.

From the available records I can see that Ms H completed an online request to transfer her ISA on 11 April 2023 from Bank A. This was transmitted electronically and completed on 13 April 2023. YBS does not hold the transfer form, but it has shared its 'ISA Transfer Processing' screen. This sets out Ms H's details and the ISA account. It shows that the form presented Ms H with two options for processing the transfer and it is clear she selected the one entitled, 'Proceed immediately (and accept any loss of interest on my current ISA).'

Ms H could have chosen the other option to 'Serve Full Notice' if she did not want this to be actioned immediately. Her selected option explains the implications for the interest on the account and I don't think there was a separate requirement for YBS to inform her of this. I can see that this is obviously not the outcome Ms H wanted from her transfer and I think she may have made a mistake with the form. Ms H hasn't responded to the investigator's comment about why she contacted Bank A the day after she completed the application to re-iterate service of the 30-day notice period.

Without any conclusive evidence to the contrary, I cannot say that YBS has processed Ms H's transfer incorrectly. I think that the interest penalty was applied by Bank A in line with the instruction received. Ms H has complained separately about Bank A.

I can see that Ms H made a subject access request to YBS on 12 May 2023 and that YBS responded on 22 May 2023. Ms H doesn't think she has been provided with messages between YBS and Bank A about the transfer. YBS said there were no communications as the transfer was carried out according to the standard electronic process, and she has been provided with all available information. I haven't seen anything to suggest that YBS has withheld information from Ms H, and it appears to have complied with the timescale to send the information and met its obligations under data legislation. As the investigator has explained, it isn't our role to decide if YBS breached the information rights law and Ms H can contact the Information Commissioners Office about this.

YBS explained that it refunded Ms H £2.27 for the loss of interest as a gesture of goodwill, not as an admission of error, as she has suggested. YBS has said this was credited to Ms H's Internet Saver Account \*\*\*\*\*2807. And so in answer to Ms H's question, this sum did not form part of her ISA funds and could not have affected her subscription allowance.

Ms H said YBS hadn't explained the 'precision' of interest rate shown on statements against every deposit she had made, as the regulations require. I've looked at the statement sent to Ms H and each deposit has an asterisk by the interest rate which links to an explanation of the blended rate of interest used. The statement explains, 'Blended rates are used when your product has more than one interest tier and different rates are paid on proportions of your savings balance'.

This doesn't appear to be in breach of regulations and is a practical way to help customers in making comparisons between savings products. I think the interest rate applicable to the sums in Ms H's account have been clearly explained to her in YBS's 'Product Factsheet' that was sent to her when the account opened and is available on YBS's website. Consequently, I think YBS has clearly explained the interest rate applicable to Ms H's account.

Ms H has brought her complaint to us and so the responsibility to 'prove' what she has said about YBS's failures lies with her. I can see that she doesn't accept the information YBS has provided, but she has no information about what she says about the transfer form. And so although I understand that Ms H will be disappointed by this decision, it would not be fair for me to require YBS to pay the lost interest or compensation she has requested.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 13 May 2024.

Andrew Fraser  
**Ombudsman**