

The complaint

Mr P complains Santander UK Plc didn't transfer his Individual Savings Account (ISA) in line with his instructions.

He says he lost out financially and experienced distress and inconvenience, both in terms of querying what had happened and raising a complaint about it.

What happened

Mr P completed an ISA transfer form, stipulating he wanted his existing provider, Santander to transfer his ISA to his new provider in October 2023. Because this was when his ISA was due to mature. The same instruction was given in relation to his wife's ISA. Santander got the instruction but transferred Mr P's funds too early, on 19 September.

Mr P was oblivious to this until he received a letter, confirming the instruction was complete. Alarmed by this, he checked the account to see if there had been an interest penalty applied for early exit (there was none) and he contacted Santander to understand what had happened and why, including checking on his wife's account.

Mr P spent a significant amount of time on the phone, trying to speak to someone who could help, which was frustrating. He says staff weren't equipped to deal with his query. He raised a complaint about what had happened, including Santander's refusal to make a manager available to speak to him. He highlighted he'd lost interest from Santander between 19 September and the date of maturity. And experienced significant distress and inconvenience as a result of its poor customer service.

Santander responded. It accepted the customer service provided hadn't been satisfactory – it paid £40 to say sorry. But it misunderstood the mistake on the ISA, believing something else.

Mr P reapproached Santander and eventually it understood the transfer had taken place too early. On 3 November, it spoke with him to resolve the complaint. During the conversation, it agreed to pay £100 for the trouble and upset caused by its error but declined to pay anything towards interest, as it hadn't seen evidence of a loss. It said Mr P would have earned interest with his new provider. Mr P accepted £100 verbally but asked us to review matters.

One of investigators looked into what happened. But she didn't think Santander needed to do more. In summary, she said:

- Some aspects of Mr P's complaint were about complaint handling, which wasn't a financial service, so we didn't have the power to look at those points under our rules.
- No interest penalty had been applied so there was no financial loss suffered.
- Funds had been paid to the new provider on 19 September and the new provider paid a higher rate of interest compared to Santander. So, there was no monetary loss here either.

Mr P didn't accept the conclusions. He maintained, Santander hadn't paid him interest between 19 September and the date of maturity, as a result of its mistake in transferring the ISA too early. This was his claim. He pointed out what interest he earned outside of Santander was an irrelevant consideration in deciding this complaint. He added that his new provider hadn't been able to set up the ISA straight away, because Santander had failed to send the transfer history form. He'd raised a separate complaint about this.

The investigator acknowledged Mr P's comments about a separate complaint and said she wouldn't therefore consider it. But as her view on the complaint remained the same, she'd arrange to pass it to an ombudsman.

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.

Having done so, I'm not upholding the complaint. I realise Mr P will be disappointed, so I'd like to explain why.

Mr P instructed Santander to transfer the funds on maturity. So, it would have been surprising to learn something had gone wrong. Fortunately, no interest penalty was applied but Mr P still needed to contact the bank to query what had happened and understand why. From what he has described there appear to have been short comings in the service he received, for example, in waiting times and the level of expertise of staff. This would have exacerbated what was already a frustrating and distressing situation.

Our investigator felt aspects of Mr P's complaint were 'complaint handling' rather than an extension of a financial service. I don't entirely agree as there is some cross over on some points. Having said that I'm also satisfied the compensation paid is fair. I appreciate Mr P would like more but our awards aren't intended to penalise a business. Rather, they are there to recognise the impact of a mistake. Looking at things, I'm satisfied £140 collectively addresses the trouble and upset caused.

I'm not going to comment on a separate complaint Mr P may have. Nor am I going to address any complaint Mr P's wife may have, as this review is solely about his customer relationship.

Interest

While Santander didn't pay interest over the relevant dates, Mr P hasn't provided information to support he didn't get any interest on the funds over that period. He says what he earns elsewhere isn't a relevant factor but it's critical in calculating an award for financial loss, because there can't be betterment as a result of a mistake – it wouldn't be equitable. I've looked at what's been provided to support the complaint. Given that I can't see from when Mr P began to earn interest with his new provider, I can't be satisfied there's been a loss. It follows that based on the available evidence I make no award in relation to this.

For the reasons I've given, I'm not going to tell Santander to do anymore, as I have concluded the compensation paid to resolve the matter is fair.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or

reject my decision before 16 April 2024.

Sarita Taylor
Ombudsman