

The complaint

Mr T complains that Charter Court Financial Services Limited (“Charter Court”) will make a charge if he transfers his ISA to another provider.

What happened

In 2023, Mr T and his wife each applied for ISAs with Charter Court. Mr T’s application was successful and an account was opened for him. But he says there were issues with the opening of his wife’s account and she raised a complaint in relation to those. Mr T says that, if he’d known about these issues earlier, he would have cancelled his account within the 14-day cooling off period. But he says it took longer than 14 days to understand what had happened with his wife’s account.

Mr T says that the issues his wife experienced caused him to lose trust in Charter Court, so he wanted to transfer his ISA to another provider. Charter Court said a transfer would be subject to a charge equivalent to 90 days’ interest. It said this was clearly set out in its terms and conditions, which Mr T had agreed to when opening his account.

Mr T wasn’t happy with Charter Court’s response and asked this service to look at the complaint. Our Investigator didn’t think Charter Court had done anything wrong. But Mr T didn’t agree and asked for the complaint to be reviewed by 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.

Mr T’s account was opened successfully and is subject to Charter Court’s terms and conditions. Mr T agreed to be bound by these when he opened the account. The terms include a right to cancel, which allowed Mr T to cancel the account within 14 days of opening it. Charter Court doesn’t charge for cancellations within this 14-day period. But, if Mr T makes any withdrawals or transfers out after the 14 days, the terms say that a charge will apply.

Mr T says he didn’t cancel within the 14 days because he was awaiting the outcome of his wife’s complaint. He says he was trying to resolve that and wanted the option of moving to another provider if it couldn’t be resolved. But the terms of his account are quite clear about the timescale for cancelling the account or transferring the funds elsewhere without charge. I think Mr T was aware of this.

He called Charter Court at the end of November seeking an update on his wife’s complaint. He said he’d been told he would receive a response within four days, but the agent explained that it could take up to four weeks. Mr T asked about the status of his wife’s application. The agent provided an update and offered to send an email to a colleague. But, at that point, Mr T said he didn’t want to bank with Charter Court because he didn’t think it was very good at what it does. He asked whether it would charge him penalties if he transferred to another provider, based on his reasons for transferring. The agent said there

would be a penalty because the cooling off period had expired. That was correct because Mr T's account had been open for more than 14 days by that point.

Mr T then said he wanted to raise a complaint on his account. He mentioned customer care and the need for Charter Court to deal with him in an appropriate manner. He said that if Charter Court can't administrate bank accounts, he has a right to try and have that resolved and one of the resolutions may be to move away. He confirmed that he wasn't losing out because he was receiving interest and said that all he was doing by raising the complaint was causing work for Charter Court and affecting its profit margins.

Mr T went on to say that, because of the customer service being provided in relation to his wife's application and what he saw as Charter Court's inability to deal with matters effectively for his wife's account, he wanted to move his account to another provider without incurring any penalty. So, it's clear that the service he was unhappy with related to his wife's application, not his own account.

The appropriate way to deal with any concerns about Mr T's wife's application or account is through a complaint brought by her about those issues. Such a complaint has been raised and is being dealt with separately. I'm not looking at those issues here; I'm only looking at the complaint raised by Mr T about his account.

I haven't seen anything to suggest that Charter Court failed to deal with Mr T appropriately or made any errors in the opening or administration of his account. And he said himself that he hasn't suffered any loss. So, I don't think Charter Court needs to do anything in relation to the administration of Mr T's account.

But Mr T says he'd have cancelled his account within the cooling off period if Charter Court had dealt with his wife's complaint sooner. He says it took more than 14 days to understand that there were problems with the way Charter Court was dealing with her application. It's clear from the timing of events that Mr T was already unhappy with Charter Court within his cooling off period. His wife's complaint was raised within that period. So, I think he had enough information to make a decision about his own account within his cooling off period.

Even if Charter Court had responded to his wife's complaint within four days (as referenced by Mr T on the call I've heard), Mr T's cooling-off period would have expired by then. I haven't seen anything to suggest Charter Court knew that Mr T was planning to cancel his own account or that the outcome of his wife's complaint would affect his decision about his own account. There wasn't any agreement in place that his cooling off period would be extended until the outcome of her complaint was known. And his wife's complaint was still unresolved when Mr T said he didn't want to bank with Charter Court. So, I don't find that his decision was dependent on the outcome of her complaint.

The two issues (Mr T's cooling off period and his wife's complaint) are separate, and I haven't seen anything which makes me think Charter Court should treat them as related.

The terms and conditions of Mr T's account are clear that withdrawals or transfers out after the cooling off period will be subject to a charge. I don't think there is any reason for Charter Court to act outside of the terms and conditions here.

In conclusion, I don't think Charter Court has acted unfairly or unreasonably, so I'm not going to ask it to do anything.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 April 2024.

Katy Kidd
Ombudsman