

The complaint

Mrs M complains about the delay she encountered when transferring a cash ISA account from Shawbrook Bank Limited (Shawbrook) to another provider whom I'll call X. Mrs M is represented by a third party although I will simply refer to her in my decision.

What happened

In early October 2023, Mrs M opened a new cash ISA account with X into which she intended to transfer part of the proceeds of a maturing cash ISA she held with Shawbrook. X subsequently sent Mrs M's ISA transfer request to Shawbrook. The ISA account with Shawbrook matured on 26 October 2023 and the ISA transfer was successfully completed dated 6 November 2023. Mrs M was unhappy about how long Shawbrook had taken to send her funds to X as she expected them to be sent within five working days of her maturity date, but they were actually sent on 3 November 2023.

As a result of this delay, Mrs M said her funds accrued credit interest at a much lower rate with Shawbrook than they would have been with X for the period of the delay, as Shawbrook's 'default' interest rate was significantly lower than the rate she had secured with A. Mrs M decided to complain to Shawbrook.

Shawbrook provided a final response and did not uphold the complaint explaining that they had a 15 working day timescale (which is also a government ISA stipulation) from 27 October 2023 which was the earliest date they could action Mrs M's maturity instructions. The ISA transfer was successfully completed dated 6 November 2023 which is within the 15 day working period, therefore no banking error had occurred. Shawbrook acknowledged that Mrs M provided maturity instructions prior to her maturity date, but said that instructions were not able to be actioned until the account matured.

Mrs M was unhappy with Shawbrook's response and brought the complaint to our service. After looking into the complaint, our investigator said they wouldn't be asking Shawbrook to do anymore. They explained that Shawbrook had completed the transfer within the 15 working day timescale and, funds had been transferred within five working days of receiving instructions.

Remaining unhappy, Mrs M 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 looked at the information Shawbrook has supplied to see if it has acted within its terms and conditions, and to see if it has treated Mrs M fairly.

All the below dates are 2023. In terms of a timeline for the ISA transfer, Mrs M's ISA matured with Shawbrook at midnight on 25 October and on 26 October, the account was matured which was the day on which X re-requested the funds. On 27 October, Shawbrook received and accepted the request from X and on 30 October, the next working day, X sent a 'ready for payment' (RFP) message which Shawbrook received that day. Then on 3 November, Shawbrook remitted the funds and X marked the transfer as completed on 6 November. The period 27 October to 6 November is less than 15 working days, meaning Shawbrook completed the transfer within the mandated timeframe, therefore I can't find any errors made.

I now move onto the other complaint issue which is around a 5 working day timescale (within the 15 working days) which relates to the sending of the ISA funds. Shawbrook's Terms and Conditions (T&Cs) say the following: 'we will send your funds to your new ISA provider within 5 Working Days of receiving instructions from your new ISA provider'. What's in dispute here is when the 5 working day timescale begins i.e. what constitutes 'receiving instructions'. As we are aware, Mrs M regards it to be 26 October which is the day of funds maturity and also the day on which X re-requested the ISA transfer. However, Shawbrook have stipulated the start of the 5 working days to be the date on which they receive the RFP message.

To give some context to the RFP message, this is an electronic message which is sent by the receiving institution as confirmation that the recipient ISA account is ready to accept the funds. Sending funds at any time before receiving this message runs the risks of the funds being delayed and/or ISA subscriptions being negatively affected. And I've seen evidence that from the date on which Shawbrook received the RFP from X, this being 30 October, they sent the ISA funds on 3 November which is within 5 working days.

In view of the above, I think Shawbrook's wording in some parts of its T&Cs could be clearer as whilst it seems clear they understand the timings, and the significance of waiting for the RFP, consumers including Mrs M may consider a different trigger to be the start of the 5 working days.

It's not our role to penalise Shawbrook for the quality of its T&Cs but I need to think about any consequences of a potential lack of clarity and whether compensation is merited. From the information I've seen, I'm aware that compensation of £155 has been paid to Mrs M but I note that part of it is connected to another aspect of the complaint which wasn't brought to us. Due to this compensation, and the lack of consequences from T&C clarity issue, I can't reasonably require Shawbrook to take any further action.

I would like to acknowledge the amount of information that Mrs M has sent to both Shawbrook and this service, and the time taken to do so however, it does not materially affect my decision.

In conclusion, from the lack of identifiable errors and how Shawbrook processed the ISA transfer, I do believe that it acted fairly and reasonably and within its terms and conditions. Mrs M has made a number of points about Shawbrook's operation and how it should improve. It is open to her to contact the Financial Conduct Authority about this as the regulator of Shawbrook, but should note that it won't consider complaints.

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 Mrs M to accept or reject my decision before 22 August 2024.

Chris Blamires

Ombudsman