

The complaint

Mrs W complains about the service she received from Skipton Building Society when she requested an Individual Savings Account (ISA) transfer.

What happened

In January 2023 Mrs W decided to transfer her Skipton ISA to another ISA provider. The transfer was delayed and didn't complete until April 2023. During this time Mrs W says that she was left unsure about what had happened to her life savings for a long time which had a negative impact on her health. So, she complained Skipton.

Skipton said the transfer got delayed due to problems with the automated ISA Transfer Service. It said that, as the ISA was being transferred out, it was the receiving business' responsibility to follow up when it didn't receive the funds. But on this occasion, it had made several attempts to contact the other business and when it didn't receive a response it sent a cheque to complete the transfer.

And it acknowledged that the service Mrs W had received during the delay didn't meet the standards she had a right to expect. It apologised to Mrs W for providing conflicting and incorrect information about why her ISA transfer had been delayed and the time she was kept waiting on the phone. It offered Mrs W £350 compensation in recognition of the distress and inconvenience caused.

Mrs W referred her complaint to this service. She didn't think she been given a full explanation of what had gone wrong or why a decision had been made to send a cheque. She said the cheque took several weeks to reach Barclays and during this time she was worried her money had been lost or she'd been scammed.

Our investigator looked into what had happened. He didn't think Skipton was at fault for the delay. And while he acknowledged that Skipton could have communicated with Mrs W better than it did, he thought the compensation payment offered by Skipton was fair.

Mrs W didn't agree. She didn't think the compensation was fair and she wanted more detail about why the ISA transfer had gone wrong. The investigator explained there was limited information about why the delay had occurred, but the information provided suggested that the problem stemmed from the automated ISA transfer service. As agreement couldn't be reached, the complaint has been passed to me for a final decision.

Mrs W has also complained about the other business involved in the ISA transfer. I have addressed that complaint separately.

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'm aware I have only summarised the circumstances of Mrs W complaint above. So, I'd like to reassure her that I have read and considered everything she has told us in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy.

As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Having done so, I've reached the same overall conclusion as the investigator. I know Mrs W will be disappointed as I can see how strongly she feels about what happened, so I'll explain why.

Mrs W hasn't suffered a direct financial loss in terms of Skipton's involvement here. It was always her intention to transfer her money away from Skipton in January 2023. And I'm aware the interest her ISA would have earned had it been transferred sooner has been backdated by the ISA provider the funds were transferred to. So, I don't find that Skipton is required to make a payment to Mrs W in this respect.

Mrs W is looking for a detailed explanation of what went wrong. Skipton has explained the problem was due to a problem with the automated ISA transfer system and based on the limited information available, I think that is most likely what happened. As the automated ISA Transfer Service is operated by a third-party business, I can't say Skipton was at fault for the problems with the ISA transfer system. But I would expect it to help resolve the problem.

I've seen from Skipton's records that it was sending messages to the ISA provider the funds were intended for to try and resolve the problem. And ultimately it issued a cheque so the transfer could complete. Overall, I'm persuaded that Skipton was doing what it could to resolve the matter for Mrs W.

I've seen Mrs W has questioned why a cheque was sent. I appreciate it took a few weeks for the cheque to be delivered to the beneficiary ISA provider. But given the automated service wasn't working in this case, I find issuing a cheque was a reasonable alternative to resolve the matter. And I can't hold Skipton responsible if by sending a cheque in the post took longer than it should.

But it's not in dispute that whole matter took far longer than it should have or that Skipton didn't handle its communication with Mrs W as well as it should have. And I accept that not knowing what had happened to her money for several months caused her considerable distress.

But, taking everything into account, while I appreciate monetary compensation can't rectify what happened, I'm satisfied that the amount Skipton has offered to pay Mrs W fairly recognises the impact its involvement in this matter has caused her.

My final decision

For the reasons given above, I do not uphold this complaint – in the sense that Skipton Building Society has already made a fair offer of compensation.

Skipton Building Society should now pay Mrs W £350 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 26 March 2024.

Sandra Greene
Ombudsman