

The complaint

Ms M complains on behalf of Mrs D that Yorkshire Building Society (“YBS”) linked their ISA allowances resulting in her not being able to deposit funds online.

What happened

Ms M holds a registered power of attorney over Mrs D’s affairs. On 5 November Ms M attempted to transfer £20,000 online into an ISA on Mrs D’s behalf for the tax year ending April 2024. Unfortunately, Ms M found she was unable to do this online.

Ms M contacted YBS about this and was informed by YBS’s agent that a form was required to be completed despite Ms M saying she’d already completed and returned this form. Ms M completed and returned the form a second time on 17 November but continued to have problems trying to credit Mrs D’s account.

Ms M raised a complaint on Mrs D’s behalf with YBS.

YBS issued its final response to this on 1 December. YBS apologised for the inconvenience it had caused and compensated her £30 for the inconvenience. YBS explained that due to a technical issue it was having with ISA’s where a power of attorney was registered on the account and the attorney had also deposited funds into an ISA in the tax year – such as Ms M had - the only way payment could be made into an ISA for the donor – Mrs D - was by cheque or in branch.

Ms M was unhappy with this and brought the complaint to this service. Ms M says Mrs D has lost potential interest on her money as Ms M has not been able to credit the ISA account. Ms M is concerned that the issue has arisen because YBS have linked hers and Mrs D’s ISA accounts.

Following this YBS increased its offer of compensation to £130 to account for some of the communications it believes were misleading. YBS have confirmed the accounts aren’t linked and it is looking into a resolution for the problem but are unable to give a timeframe for this.

YBS’s terms and conditions say it can’t guarantee continuous, uninterrupted access to its online service and won’t be liable if it fails to provide this.

One of our investigators looked into Ms M’s concerns but didn’t think that the ISA accounts were linked and as Ms M was given other options for crediting the ISA didn’t think YBS should be held liable for any lost interest.

But they agreed Ms M had been inconvenienced by being given inaccurate information and having to complete unnecessary forms a second time. They thought that the total compensation offered of £130 for this was fair as they didn’t think Mrs D had been personally impacted by this.

Ms M is dissatisfied with this and wants YBS to fix the problem. Ms M has asked for an ombudsman’s decision.

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 hope that Ms M won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Ms M's complaint is regarding YBS's inability to fix a technical issue it's having with the crediting of Mrs D's ISA account and the advice given surrounding this.

It is not in dispute that Ms M was given inaccurate advice and had to spend time on completing another form unnecessarily and hasn't been able to transfer cash into Mrs D's ISA online. But YBS has explained to Ms M to credit the account she has the option of sending in a cheque or visiting a branch to deposit the funds and that it is trying to fix the issue but hasn't yet been able to do so yet.

So what I need to decide is whether this and the total compensation offered of £130 is a fair and reasonable way to settle this complaint – and I think it is.

I can't look at the impact YBS's errors have had on Ms M personally. This is because I can only look at how YBS's actions have affected the account holder - Mrs D – as she is the eligible complainant. So although I accept Ms M may have been inconvenienced, I can't look at compensating her personally for this – this is despite the fact she is carrying out a selfless act in assisting Mrs D with her financial affairs.

Furthermore, as we are not the regulator, I cannot make YBS change its IT systems or processes – such as how ISA's can be credited with funds when managed by attorney's or if it's experiencing technical problems what or how it should put that right. These are commercial decisions and not something for me to get involved with. My role rather is to see whether YBS have treated Mrs D fairly.

I appreciate that Ms M wants YBS to fix the issue, indeed, so does YBS, but this so far hasn't been possible. Sometimes things don't go smoothly and technical errors occur – as in this case – but that doesn't mean it automatically follows that YBS has treated Mrs D unfairly.

YBS is trying to fix the problem and Ms M is still able to deposit funds into Mrs D's ISA by cheque or visiting a branch of YBS. I accept these options aren't as convenient for her as making an online transfer. But I can't see what more YBS can do as I don't think YBS is unfairly blocking the transfer of funds in, and it has provided what I think are reasonable options for Ms M to carry out this action.

Furthermore, YBS confirmed and provided screenshots to show that Ms M is registered as attorney on Mrs D's account but that the accounts aren't linked and has offered compensation of £130 which I think is reasonable given I haven't seen that Mrs D has suffered any direct financial loss due to YBS's actions. I don't think it would be fair to ask YBS to compensate Mrs D for potentially lost interest when it provided Ms M with reasonable alternatives to deposit Mrs D's funds.

And as has already been explained I can't tell YBS what systems it needs to have in place or how it should fix technical issues when things go wrong. And nor is it my role to punish or penalise YBS for its performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority.

And so it follows I think what YBS has offered to settle Ms M's complaint brought on behalf of Mrs D - £130 compensation in total – is fair and reasonable and so I'm not going to ask it do any more.

My final decision

For the reasons I've explained, I think that Yorkshire Building Society have done enough to settle Ms M's complaint brought on behalf of Mrs D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 July 2024.

Caroline Davies
Ombudsman