

The complaint

Mr M complains that Santander UK Plc failed to give sufficient information to his sending Bank (H) to enable his ISA to be transferred to it. As a result he made a loss in terms of the interest earned on his savings.

What happened

In April 2023 Mr M made an application to Santander for an ISA which he held with H, to be transferred to it. He completed the form with the details and Santander duly made the request to H. But H noted that the sort code and account number hadn't been provided. H made several further requests for the properly completed forms to be sent. Santander eventually sent the correctly completed forms on 22 May 2023. By that stage Mr M had got tired of waiting and decided to transfer his account to another ISA with H.

Santander said that H was at fault for not being able to find the right account to transfer the money to.

Mr M made complaints to the Financial Ombudsman Service about both Santander and H. Following an investigation, H was found not to be at fault.

Our Investigator thought that Santander was at fault for not completing the forms correctly and for failing to respond to requests by H to send the correctly completed forms. He proposed that Santander should pay Mr M £120 lost interest, £50 for the lost ISA transfer incentive and £100 compensation for distress and inconvenience.

Mr M accepted the outcome. Santander said it had no further points to make and requested an Ombudsman's decision. So the matter has been passed to me for consideration.

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.

From my review of the evidence, the timeline is as follows:

On 21 April 2023 H received the ISA transfer form for Mr M's account. The sort code and account number fields were not completed in the 'Acquiring Part Section' of the form.

Mr M was told by Santander that H couldn't find his account. In fact H explained that it couldn't find the account to transfer to, as Santander hadn't provided the correct details.

Santander needed to send another request to restart the process. H asked Santander to issue the new completed form on four occasions - on 24 and 27 April 2023 and twice on 9 May 2023.

Santander eventually sent the completed forms on 22 May 2023. As I've said, Mr M had decided by this time that he would transfer his ISA back to another ISA with Halifax.

During this time Mr M was involved in several long phone calls with Santander. However it has never admitted that it was at fault.

My conclusion is that Santander was directly at fault for failing to provide the correct details to H to transfer the funds. And then in failing to respond to a number of requests for it to send a further form. As a result, Mr M was subjected to delays and inconvenience. I think it's fair to say that he should have been able to start earning interest on the new ISA from around 21 April 2023. He wasn't actually able to do this until 23 May when he transferred his funds to a new ISA at H. I think that it was reasonable for him to take that step.

Mr M says that his funds were in an account earning 1% interest when this should have been 4.5% interest in respect of the ISA to which he was trying to transfer the funds. He has estimated that he has lost around £120 because of the delay. He has sent us statements showing the movement of funds and the details of the interest rates. Our Investigator has in turn sent those to Santander but it has declined to comment on them any further. So I think it's reasonable to assume that it accepts the calculation of interest.

Mr M would also have been entitled to a £50 incentive payment which he has lost and I think Santander should pay this.

I think Mr M was also caused distress and inconvenience in having to chase Santander several times and by not being given the correct information. For this it has been proposed that Santander pay £100 compensation which I think is fair and reasonable in the circumstances of this case.

Putting things right

Santander should pay to Mr M :

- £120 in respect of lost interest.
- £50 for the loss of the incentive payment.
- £100 compensation for distress and inconvenience.

My final decision

I uphold the complaint and require Santander UK Plc to provide the redress set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 April 2024.

Ray Lawley
Ombudsman