

## The complaint

Ms T complains about Nationwide Building Society's mis advice which has caused her to lose her ISA allowance and pay a higher than expected penalty fee.

## What happened

I issued a provisional decision on 20 February 2024, and this is what I said:

*I've considered the relevant information about this complaint.*

*Based on what I've seen so far, there will be a different outcome to what our investigator proposed. Before I issue my final decision, I wanted to give everyone a chance to reply.*

*I'll look at any more comments and evidence that I get by 5 March 2024. But unless the information changes my mind, my final decision is likely to be along the following lines.*

## The complaint

*Ms T complains about Nationwide Building Society's mis advice which has caused her to lose her ISA allowance and pay a higher than expected penalty fee.*

## What happened

*There is a dispute over what happened.*

*Nationwide say the following actions occurred in April 2023:*

### 1. Internal transfer

*Upon Ms T's instruction:*

- *Nationwide closed her 5 Year Fixed Rate ISA, which had a balance of £88,825.51 before maturity, resulting in a penalty fee. They paid the funds into her Flex Account.*
- *Nationwide moved £68,825.51 from her Flex Account in cash and opened a new 2 Year Fixed Rate ISA.*

### 2. External transfer

*Ms T wanted to transfer £20,000.00 to her ISA with Bank A:*

- *Ms T made 4 bill payments of her own volition and without their knowledge using her on-line banking APP. Unfortunately, these payments weren't processed as an ISA transfer, so Ms T had used up her ISA allowance for the previous tax year.*

*Regarding action 1, Ms T complains about a financial loss here. She says she was misadvised over the penalty fee. Ms T says she was informed it would be 90 days of interest and not 180 days.*

*Regarding action 2, Ms T complains about an additional financial loss. Ms T says she made the payments under Nationwide's instruction.*

*These two disputes were brought to our service and our investigator said Nationwide should pay Ms T £150 compensation as they could've queried her actions.*

*As Ms T remains dissatisfied, this case has now been referred to me to look at.*

### ***What I've provisionally 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.*

*Having done so, I'm not upholding this complaint.*

*I'm very sorry to read about Ms T's ISA allowance loss and higher than envisaged penalty fee and I recognise her distress here.*

*I should first say that there isn't any CCTV footage here and, in cases like this, where information is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.*

*I first considered whether Ms T was:*

- *Misadvised that the penalty fee was 90 days as opposed to 180 days*
- *Should've been aware that the penalty fee was 180 days*

*It is unusual for a customer to close an ISA before maturity and there are testimonies that the Nationwide representative was very experienced, so I think it more likely than not that the penalty fee was mentioned.*

*But it isn't possible to know whether the representative asked a question to establish whether Ms T was aware of the amount or gave the correct or incorrect information.*

*As it's clear Ms T arrived at the branch to close the account, I think she should've been aware of the fees when she opened the account, as they are clearly advertised and detailed. So, even if there was paperwork such as a withdrawal slip on file, I don't think this would've stated the exact penalty fee as the fees can vary. So, I don't think it would be fair to come to a conclusion that the Nationwide representative made an error here. Also, as stated by our investigator, file information shows that Ms T was browsing websites on the phone where she could've viewed and checked the fees.*

*I then fully reviewed the file to consider whether Ms T had made the external transfer through 4 bill payments with or without Nationwide's involvement.*

*There are two very different accounts on what occurred here.*

*Ms T included the following in her submission:*

- *'The ISA monies were transferred' from 'my current account held with Nationwide from the Nationwide ISA account. Without consulting me'.*
- *'The advisor said for me to transfer from my account the balance £20,000 to Bank A. Because of this it was not picked as an ISA transfer. Because I did manually at the Nationwide under the instructions of the Advisor'.*
- *'X then told me to do my bit whilst she was sorting the internal ISA transfer'.*
- *The advisor 'came over and did it for me in four separate instalments. Then returned to her station to carry on doing the Nationwide ISA transfer'.*

*Nationwide disagree and included the following in their submission:*

- *Ms T didn't tell the representative what she was doing on her banking APP, however they had spoken about the other savings available online and so she thought she may have been looking at these.*
- *Ms T sent the funds to Bank A.*
- *Their representative is experienced and knows the correct process to complete an ISA transfer out.*
- *Ms T 'told us different things in the branch to what she has told us during the complaint'.*

*For the following reasons, I'm more persuaded by Nationwide's account, so I think it more likely than not that their representative didn't get involved in the external transfer and left Ms T to both decide and transact:*

- *There is information that the external transfers were completed on Ms T's banking APP which the representative wasn't able to access*
- *Ms T's comments that:*
  - *'X then told me to do my bit whilst she was sorting the internal ISA transfer'*
  - *'whilst the advisor was struggling to do the transfer said for me to do my transfer'*

*support both Ms T being in control of her actions and Nationwide's above account of events. Also, these comments by Ms T conflict with the following comments:*

- *That she made the transfer 'manually at the Nationwide under the instructions of the Advisor'*
- *That the advisor 'came over and did it for me in four separate instalments'.*

*Furthermore, Nationwide say that when they later spoke to Ms T she 'didn't recall but then she did and said that she should have been warned not to send them in this way'.*

*Our investigator raises the question of whether Nationwide should've done more to support Ms T. But the file shows that Ms T was very deliberate on her requirements and instructions, was actively undertaking research on her savings options and was able to conduct transactions on her own. Also, the Nationwide representative was actioning the closure. So, I'm persuaded that the Nationwide representative shouldn't necessarily have intervened.*

*So, having considered all the above, although I'm very sorry that Ms T has experienced financial losses here, on balance of probabilities I'm not persuaded that these were due to Nationwide errors. So, I'm not upholding this complaint.*

### ***My provisional decision***

*For the reasons I've given above, it's my provisional decision not to uphold this complaint.*

*I'll look at anything else anyone wants to give me – so long as I get it before 5 March 2024. Unless that information changes my mind, my final decision is likely to be as I've set out above.*

### ***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.*

Both parties responded to the above provisional decision. Nationwide said they had no additional points to add. Ms T disagreed with the decision and made a number of points in a detailed submission.

So, I considered everything again. I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points Ms T has made, even if I don't specifically address them all.

Regarding Action 1 (the transfer of £88,825.51 to her Flex Account before maturity, resulting in a penalty fee), although I understand Ms T's ISA inexperience, from looking at the records and testimonies I think it more likely than not that:

- Ms T no longer wanted her existing 5-year ISA
- Instructed the Nationwide cashier to fully close the 5-year ISA
- The cashier followed the correct procedure, transferring Ms T's funds into a holding account (Ms T's Flex account) so some of the funds could then be paid into the new ISA. And they made Ms T aware of this action.

I appreciate Ms T's comments that she wouldn't have remembered the penalty fee and should have been shown information. But I think it more like than not that the cashier was experienced, and this was mentioned.

Regarding Action 2 (Ms T's transfers to Bank A) having again looked closely at the testimonies, some of which I found conflicting and inconsistent, I'm more persuaded by Nationwide's explanation. So, I still think it more likely than not that the cashier didn't know what Ms T was doing on her APP, that discussions did take place about online savings options, and the cashier thought Ms T may have been looking at these.

Whilst it is most unfortunate that the funds were transferred out via Bill Payment rather than ISA Transfer; I'm not persuaded that the cashier was either aware of Ms T's thinking or involved in her actions. And based on the information on file it's difficult to say she should've questioned Ms T on the transactions she was carrying out.

I recognise that Ms T is disappointed that Nationwide no longer have the CCTV and my decision is therefore based on balance of probabilities. Also, she thinks Nationwide are covering up their errors.

Regarding CCTV it would've been helpful if it had been retained as Nationwide knew Ms T was dissatisfied. However, I understand Nationwide have followed their retention procedure here and I think it unlikely that the CCTV footage would've been conclusive, as the camera angle is often focussed on the cashier area and doesn't pick up transactional views or sound.

Regarding my approach when events are disputed, which is inquisitorial and not adversarial. I do recognise Ms T's frustration and upset here, but having fully reviewed the submissions of both sides, I'm not persuaded that Nationwide have either made an error or been dishonest.

So, having further reviewed the file and considered everything again, including all the submissions from both parties, I'm not upholding this complaint.

## **My final decision**

My final decision is to not uphold this complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 30 April 2024.

Paul Douglas  
**Ombudsman**