

The complaint

Miss S complains that despite numerous attempts Santander UK Plc (“Santander”) failed to process the transfer of her ISA from another provider.

What happened

On 6 April 2023 Miss S requested Santander transfer her ISA to it from another provider. The transfer request was rejected by the provider as “No account with this account number and sort code exists with the ceding party”. Miss S repeated the same request in May, June and July but was unsuccessful on each occasion for the same reason.

Miss S complained. Santander didn’t agree it had made an error at its end and says as the transfers are processed electronically it is unable to provide further information on why the transfers were rejected besides the error message saying no account found with the details provided.

Miss S was dissatisfied with this and brought her complaint to this service. One of our investigators looked into Miss S’s concerns and thought the failed ISA transfer was due to an error on Santander’s part and was rejected due to Miss S’s provider not being able to locate an account to transfer the ISA to with the details provided by Santander.

In particular they thought it was because the sort code and account where the funds were being collected into had been imported into the wrong section of the form. They thought Santander should pay Miss S £200 compensation and directed Santander to resubmit the transfer forms with the correct formatting.

Santander disagreed it was an error on its part. Santander say it provided all the correct details and that it would be impossible for it to create a transfer record and not add the external bank account details. So Miss S’s complaint was progressed 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.

My role is to look at the problems Miss S has experienced and see if Santander has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Miss S back in the position she would’ve been in if the mistakes hadn’t happened. And I may award compensation that I think is fair and reasonable.

And where there is a dispute about what happened – as in this case - I’ve based my decision on what I consider most likely to have happened in the light of the available evidence.

And having considered everything, I’m in agreement with our investigator in that I think it is likely the ISA transfer requests failed as a result of an error made by Santander when imputing the details.

I say this because although I can see on the transfer requests that Santander have provided the correct details regarding Miss S's details and the account numbers for where the funds are to be requested from and where they are to be transferred, I can see there looks to be a discrepancy in the formatting. Santander's screenshots show that three account numbers and sort codes are provided:

1. Ceding Party's Account Identifier;
2. Acquiring Party's Collection Account; and
3. Acquiring Party's Account Identifier.

For 1 and 2 above Santander has put a space between the sort code and account number, while for the Acquiring Party's Account Identifier there is no space.

It appears this information has been received and while account numbers and sort codes for 1 and 2 appear to have been imported correctly on the transfer with the sort code and account number in the correct place on the system for both the sections titled "Customer Account At Ceding Party" and "Collection Account At Acquiring Party", the third sort code and account number is shown on the form in the wrong section titled "OR Other Identifier" as one number, rather than the separate sections reserved for "sort code" and "Account Number".

I think this is likely happened due to Santander not putting a space between the sort code and account number on the transfer request. I think this meant the information wasn't imported/exported correctly resulting in the transfer failing as the account number wasn't recognised.

So on this basis I think that Santander is a fault for the failed ISA transfer and as such it should put things right. If Miss S still wishes to transfer her ISA, Santander should now resubmit the transfer forms for Miss S with the correct formatting – with a space between the sort code and account number or alternatively, if possible, submit a manual transfer. And as Miss S has been repeatedly inconvenienced by this, I'm again in agreement with our investigator that Santander should compensate Miss S £200 for this.

My final decision

For the reasons I've explained I've decided uphold Miss S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 May 2024.

Caroline Davies
Ombudsman