

## **The complaint**

Ms T complains about the delays and poor service she received when she requested Shawbrook Bank Limited transfer her ISA to three different providers.

## **What happened**

The details of this complaint are well known to both parties and the facts mostly aren't in dispute, so I won't repeat them again in detail.

In summary Ms T set up three new ISAs in late September 2023. Ms T asked Shawbrook to transfer the funds it held in her account to the three new providers (Provider A, Provider B and Provider C).

Ms T says she expected the funds from her ISA to transfer over to her new providers on the maturity of her ISA with Shawbrook, but it didn't send the funds until sometime later and all three transfers were made on different dates. Ms T says she had to chase Shawbrook to make the transfers and has also described the poor customer service she received, especially regarding the confusing secure messages which provided her with little information on which transfer they related to.

Ms T says she is unhappy because she has lost out on interest from the date of maturity until the funds were transferred to her new providers. She wasn't happy that the funds were held in a 0.1% interest account. She would also like to be compensated for the distress and inconvenience caused by the poor communication and service provided during the transfer process.

Shawbrook replied to Ms T explaining it completed two of the transfers to her new ISAs within the 15 working day government timescale for ISA transfers. Shawbrook accepted one of the transfers breached the timescales. Shawbrook also accepted the service provided to Ms T was poor and the communication should have been better as she was attempting to transfer her ISA out to three new providers. In recognition of the delay, lost interest, and the poor service Shawbrook awarded Ms T £150 in compensation.

Ms T remained unhappy so referred the complaint to our service. Our investigator agreed with Shawbrook, she felt two of the transfers were handled appropriately and felt the compensation offered by Shawbrook for the delay in the third transfer and the poor service was fair.

Ms T disagreed with our investigators view and so the complaint has been passed to me to make a final 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.

Having done so I've decided not to uphold this complaint. I'll explain why.

I may not mention or respond to every point raised by the parties in my decision, it's not because I failed to take them on board and think about them, but because I don't think I need to comment on those points to reach what I think is a fair and reasonable outcome. I don't intend any discourtesy in taking this approach.

Shawbrook wrote to Ms T on 20 October 2022 with details of the ISA she opened, and it enclosed the terms and conditions for the account. It confirmed the maturity date of her ISA would be 19 October 2023.

The terms also set out in Section 23.12 - *"Cash ISA transfers are subject to any applicable account notice period or expiry of a fixed term. Where We receive a transfer out request for Your Cash ISA account, We will send Your funds to Your new ISA provider within 5 Working Days of receiving the instruction from Your new ISA provider. Where We receive a request for a transfer in from You, We will send Your transfer form to Your current ISA provider within 5 Working Days of receiving it from You."*

It is clear the transfer request would not have been possible from the day Shawbrook received the request from Ms T, as the ISA had not yet matured. So I need to consider when the transfer should have been completed.

As well as the terms mentioned above, I've considered the government guidance for ISA transfers which says:

#### Cash ISA transfers

*Cash ISA to cash ISA transfers must take place within 15 business days of the transfer instruction being received by the new ISA manager, unless the investor stipulates that the 15 days starts on a later date. The 15 days are broken down as follows:*

- *The new ISA manager has 5 business days to forward the instruction to the old ISA manager.*
- *The old ISA manager has 5 business days in which to send the funds and information to be provided to the new ISA manager.*
- *The new ISA manager has 3 business days to apply the funds to the new ISA.*
- *The other 2 days are to allow for time taken for first class post between managers.*

Shawbrook have provided a detailed timeline of the ISA transfer process for the three transfers. This shows that funds were submitted on two of the transfers within the timeline highlighted. This is because the process couldn't have started before the maturity date on 19 October 2023, so the transfers should have completed by 9 November 2023.

Two of the new ISA providers, Provider A and Provider B sent their "ready for payment" communication to Shawbrook on 23 October 2023 and 24 October 2023 respectively. The transfers to these new ISA providers were completed on 26 October 2023 (Provider A) and 2 November 2023 (Provider B) – with the payments being made by Shawbrook within the five working days expected.

For clarity the start date of the five working days is not regarded as when the ISA instruction is received by the sending bank. It begins once the 'ready for payment' message is received. This aligns with the government ISA provider guidelines.

The old ISA provider (Shawbrook) needs to wait to receive the "ready for payment"

communication. The importance of the 'ready for payment' message and Shawbrook waiting for it is that as not doing so would have meant sending funds to an account which may not have been ready to accept them. Potentially serious consequences of this may have been Ms T's funds being temporarily lost or delayed which I know Shawbrook, the new ISA providers and, Ms T would certainly want to avoid.

The transfer to the third ISA provider (Provider C) took longer than expected. Whilst it was completed within 5 working days of Shawbrook receiving the "ready for payment" communication it took three days longer than what is set out by the government guidelines – so it completed on 14 November 2023. The delay was caused by an internal error from Shawbrook which resulted in a number of ISA transfers being rejected on that specific date.

I've also considered the communication Shawbrook had with Ms T and because she was transferring her ISA to three different providers, I can understand why the messages she received from Shawbrook would have been confusing.

As a result, Ms T needed to contact Shawbrook to understand what was happening with each individual transfer but even during the calls she wasn't given the clearest information by Shawbrook's agents. And while I appreciate Shawbrook were trying to facilitate the transfers as smoothly as possible, in the circumstances I do think Ms T was caused some distress and inconvenience.

I've also considered Ms T's other points, such as the interest rate offered by Shawbrook in its matured funds account and why all the transfers didn't progress simultaneously. I've already acknowledged above that there was a delay in one of the transfers, but I think for the period of the delay, what Shawbrook has already offered in compensation is sufficient for any lost interest Ms T would have incurred.

And with regard to the transfers running simultaneously unfortunately some of this would not have been solely down to Shawbrook, as the transfers were being made to different providers and individual communication was needed from each party to the transfer.

So overall I agree that Shawbrook needs to put things right for Ms T for the poor communication, the delayed transfer and the loss of interest in completing the transfer to Provider C. Shawbrook offered Ms T £150 for the distress and inconvenience caused. I'm satisfied £150 is fair and reasonable compensation for the poor communication and loss of interest for the three day delay in the transfer to Provider C.

### **My final decision**

For the reasons mentioned above, I don't uphold Ms T's complaint about Shawbrook Bank Limited.

Shawbrook Bank Limited should pay Ms T £150 in compensation it offered, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 9 July 2024.

Jag Dhuphar  
**Ombudsman**