

The complaint

Mr L complains about delays and poor service when transferring funds from his savings account with Coventry Building Society (CBS).

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

On 30 June 2023 at 14:57 Mr L set up an online transfer for £20,000 from his savings account with CBS to his current account with another business I'll refer to as S. Mr L's told us he intended to use the funds for investment purposes. CBS says it processes external transfers on the next business day, which was 3 July 2023.

In the morning of 3 July 2023 Mr L called CBS and asked where his funds were. During the call, CBS advised the funds would be released by the close of business on 3 July 2023. Mr L advised he wanted to close his account with CBS and completed an online transfer for the funds held in his savings account to another CBS account he held. CBS processes internal transfers immediately, in line with the account's terms and conditions. But that meant there was insufficient funds to complete the external transfer of £20,000 Mr L had set up on 30 June 2023. Mr L set up another transfer of £20,000 from his second account with CBS which was due to leave his account on 4 July 2023.

CBS says it spoke with Mr L on 3 July 2023 at 16:30 and he advised he needed the funds urgently. When CBS asked Mr L why it says he didn't give a specific reason and advised he wanted to close his account.

In the morning of 4 July 2023 Mr L called CBS and said he'd lost out on investments which had cost him around £600 due to the delay in receiving funds.

CBS issued a final response on 10 July 2023 and upheld Mr L's complaint in part. CBS paid Mr L £75 to apologise and offered to consider any losses he'd suffered.

Mr L referred his complaint to this service and it was passed to an investigator who upheld it and asked CBS to pay 3% of the £20,000 totalling £600 – representing his losses. CBS asked to appeal and said it had processed Mr L's transfer in line with the account terms and conditions. CBS said Mr L's actions, by closing the account on 3 July 2023 before his original transfer had gone through, had caused it to fail. CBS didn't agree and asked to appeal so Mr L's complaint has been passed to me to make a decision.

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.

I'm very sorry to disappoint Mr L but I've reached a different conclusion to the investigator and haven't found grounds to uphold his complaint. I'll explain why.

On 30 June 2023 Mr L instructed the transfer of £20,000 from CBS to S. CBS has provided a copy of Mr L's savings account's terms and conditions. They explain that a payment to another bank or building society isn't processed immediately and that the funds can take up to the close of business the following day to be sent. So when Mr L instructed the transfer on 30 June 2023, there was no expectation in the terms and conditions that it would be processed immediately.

I've listened to Mr L's calls with CBS on 3 July 2023. Mr L contacted CBS to check where his funds were and the agent correctly advised the transfer was in the process of being sent that day. Mr L explained he felt the timescale was unreasonable and asked to raise a complaint. Mr L also said he wanted to close his account with CBS and remove his remaining funds. Mr L requested information setting out how to do this. The agent confirmed Mr L could close his account and transfer the remaining funds out via its online banking facility. But on a number of occasions, the agent specifically advised Mr L that he needed to wait for the ongoing transfer of £20,000 he instructed on 30 June 2023 to go through before closing his account. The agent also confirmed the original £20,000 transfer would leave Mr L's CBS account by the close of business on 3 July 2023 so he could process the closure once it was gone.

Despite the information the agent provided, Mr L processed the account closure online on 3 July 2023 and requested all his funds be removed from the savings account and placed in another savings account. CBS says Mr L transferred his funds to another savings account he holds with it. And CBS' savings account terms and conditions explain transfers to other CBS accounts are processed immediately. As a result, all Mr L's funds were removed from the savings account immediately. And that meant there was insufficient funds for the original £20,000 transfer to complete.

I appreciate why Mr L wanted to close his account. But I'm satisfied CBS' agent specifically told Mr L to wait for the original £20,000 transfer to complete before closing his account. I'm satisfied that the advice provided was correct and that if no closure request had been made on 3 July 2023, Mr L's original transfer of £20,000 would've gone through as planned – in line with the savings account's terms and conditions.

I'm sorry to disappoint Mr L but I haven't seen any evidence that supports the claim CBS' actions led to a delay in the original transfer being processed as the timescales complied with the account's terms and conditions. And I'm satisfied CBS' agent specifically told Mr L to let the original transfer of £20,000 complete before closing his account.

CBS has also pointed out that when it spoke with Mr L at around 16:30 on 3 July 2023 it asked him why he needed the funds urgently. I've listened to this call. The quality of the line is poor and at times it was difficult to understand everything that was said. Mr L's responses were that it was an urgent matter and potentially "life and death" but he didn't provide a specific reason why the funds were required on 3 July 2023. So I haven't been persuaded it was unreasonable for CBS to leave the transfer process in place at that point.

As I haven't seen any evidence that supports the claim CBS delayed Mr L's transfer, I'm unable to agree it would be fair to tell it to compensate him for investment losses. So I'm unable to agree there are grounds to tell CBS to pay Mr L £600 as he's asked for. In my view, CBS dealt with Mr L's complaint fairly so, based on the information I've seen so far, I don't intend to tell it to take any further action.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr L responded and asked about his options if he didn't agree with the decision. We didn't hear back from CBS.

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.

As our investigator said in the response to Mr L, if he doesn't accept the final decision it won't be legally binding on him or CBS. At that point, Mr L would be free to take alternative steps to try and resolve the issue raised but the investigation at the Financial Ombudsman Service would be complete.

As neither party provided new information about the circumstances of Mr L's complaint, I see no reason to change the conclusions I reached in my provisional decision. I remain of the view that CBS dealt with Mr L's transfer request and subsequent complaint fairly, for the same reasons.

My final decision

My decision is that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 May 2024.

Marco Manente
Ombudsman