

## **The complaint**

Mrs J complains that Clydesdale Bank Plc trading as Virgin Money caused an unreasonable delay in transferring a stocks and shares ISA that she held with a different business.

To resolve her complaint, Mrs J wants compensation for the period she says Virgin Money caused a delay – some 15 days – which meant her funds were not earning interest.

## **What happened**

Mrs J held a stocks and shares ISA with another business, and on 1 December 2023 she decided to transfer it to her existing Virgin Money cash ISA. That day she accordingly instructed the other business to sell down her holdings, which would ensure funds were available from 5 December 2023 to transfer to Virgin Money.

On 18 December 2023, Mrs J noticed that the funds (since sold down to cash) were still held in her previous ISA. She contacted Virgin Money by secure message, as she had firstly tried calling but waited twenty minutes. Virgin Money explained she would need to call customer services, and Mrs J spoke to a call handler on 20 December 2023.

During that call, Mrs J complained. This was because Virgin told her it had only received the ISA transfer on 19 December 2023. When Mrs J queried that, she discovered that the postal address that it had included on its ISA transfer form was a redirection address. Mrs J noted she was unhappy at suffering a delay due to an error that was caused by Virgin Money – and she felt it could have acted sooner and it must have been the redirection that had delayed the transfer.

On 9 January 2024, Virgin Money issued a final response letter to Mrs J, in which it rejected the complaint.

Virgin Money said it had received the transfer form on 19 December 2023, and sent the request to the other business the following day. The funds were then received from that business on 5 January 2024. In respect of the redirection of mail between its offices, Virgin Money explained it had been undergoing this process for several years and it had no impact on receipt of the form. It could not otherwise account for why there had been a postal delay, but explained this might have been impacted by the festive period.

Mrs J did not accept the explanation given by Virgin Money, and so she referred her complaint to this service.

An investigator reviewed the complaint but he did not believe that it should succeed. He recognised Mrs J's frustrations, but he did not believe that Virgin Money should be held accountable for any loss or compensation on the basis sought by Mrs J when it had completed her ISA transfer within the required timescale.

Mrs J said she disagreed with our investigator and wanted her complaint to be referred to an ombudsman. She said, in summary, that:

- Virgin Money acknowledged that it has been using the wrong address on its transfer form – so this is clearly an issue and evidence that it led to a delay in the transfer.
- She doesn't agree that it is more likely than not that a postal error caused delays. If the wrong Virgin Money address is used then it may take several days to put that error right.
- She doubts she is the only person to have been inconvenienced by this issue.
- She did as much as she could be ensuring her funds were available for transfer on 5 December 2023 – the date she expected the form to reach Virgin Money.
- Had Virgin Money acted on that date, she would have earned interest on her funds from 5 December 2023 and not 19 December 2023.
- The 30-day timescale is irrelevant because it runs from the date a transfer request is received – and Virgin money delayed matters before the request was received, not after.
- Following the complaint process at the Financial Ombudsman Service has led her to feel that the service is not independent, but instead biased towards financial institutions.

Virgin Money didn't make any additional comments.

Our investigator reassessed the complaint in light of Mrs J's further comments, but he wasn't minded to change his view. It was thereafter referred for review by an ombudsman.

### **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.

I thank the parties for their considerable patience whilst this matter has awaited review by an ombudsman, given the current demand for our service.

I recognise Mrs J's strength of feeling in this matter, and I can see she is frustrated by Virgin Money's processes. However, having looked at everything before me, I also believe this complaint should not be upheld, for principally the same reasons put forward by our investigator. I will set out my reasons for reaching that outcome below.

This service's role is to investigate disputes and resolve complaints informally, whilst taking into account relevant laws, regulations and best practice. In reaching my decision, I'll focus on the issues I believe to be central to the complaint to decide what I think is fair and reasonable in all of the circumstances. We are not a court; and though there are rules I may rely on in respect of complaint handling procedures, I am not required to comment on each point or make specific determinations on every submission put forward by the parties.

I am mindful of the points Mrs J has made about the way in which Virgin Money has relied upon redirected mail. However, I should note that we are not the regulator; that role falls to the Financial Conduct Authority. So, I won't be making findings on the fairness of Virgin Money's processes in relation to which postal address it uses for ISA transfer forms. Nonetheless, I have reviewed the circumstances set out by both parties carefully in order to determine if I consider Virgin Money has acted fairly and reasonably in completing the ISA transfer – and I believe it has.

On general grounds, I'd expect to see that a business moves an ISA transfer along as quickly as is practicable in the circumstances. Each stage of a transfer may necessitate a different amount of human intervention and effort. Normally, in order to decide how long a transfer ought to have taken, I'd take into account a business's own service level

agreements and any wider standards. In this case (a transfer from a stocks and shares ISA), Virgin Money sets a timescale of 26 working days from an acceptance date to complete the ISA transfer. As the acceptance date was 19 December 2023, Virgin Money met its own timescale.

I know Mrs J feels that the way Virgin Money redirects postal correspondence most likely caused the delay in receipt of the transfer form. However, Virgin Money has explained how it operates an electronic redirection system – and this does not add any additional processing time to the actions of its ISA transfer team. I have not seen any objective evidence that any such delay was directly caused by Virgin Money's system.

Virgin Money first received the transfer form on 19 December 2023. It used that date to set the acceptance clock for its 26-day time limit. And it contacted the other business to arrange transfer of the funds one working day from receipt.

I recognise Mrs J continues to feel that matters were unduly prolonged by Virgin Money. However, I am also mindful of both industry guidance and the applicable terms and conditions which required transfers of this type to be completed within 30 calendar days. I know Mrs J makes the point that the 30 day guidance runs from when a new business is made aware of a transfer. I agree with that. But I don't believe that Virgin Money caused any unfair delay ahead of being notified of the transfer because of the way it handles incoming postal correspondence; nor is it accountable for the actions of any external postal service.

Virgin Money met the 30 day requirement – the new ISA was correctly set up from 5 January 2024, the day the funds were received. This was 18 calendar days after the transfer acceptance date following receipt of the ISA transfer form from Mrs J. And as I've said above, I am not persuaded that the date the form was received by Virgin Money was unduly influenced by the inclusion of a redirection postal address to a different Virgin Money office included on the ISA transfer form.

Even if I was to accept Mrs J's assertions about the form – that being if she sent it on 1 December 2023, Virgin Money should have received it within two working days – then Virgin Money still set up the ISA within 30 days from when it could have reasonably processed the form. It allows one working day to process receipt, which would have been 6 December 2023 and the ISA transfer was completed on 5 January 2024.

It follows that I cannot uphold this complaint and do not believe the compensation sought by Mrs J applies in these specific circumstances since I do not believe Virgin Money is at fault for the loss in interest before or whilst the ISA transfer took place.

### **My final decision**

Though I know my decision won't be what Mrs J has hoped for, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 9 December 2024.

Jo Storey  
**Ombudsman**