

## **The complaint**

Mrs R has complained about the delays she experienced when transferring her ISA account to Santander UK Plc ('Santander'). She says the delays were caused by Santander and is seeking financial compensation for the losses incurred because of those delays.

## **What happened**

Mrs R had a stocks and shares ISA account with another platform provider who I shall refer to as 'PP' in my decision. In September 2023 Mrs R wanted to sell the assets held within her stocks and shares ISA wrapper with PP and transfer the resulting proceeds to a cash ISA account she had opened with Santander.

Mrs R experienced delays during the transfer process and raised a complaint with Santander. In its initial response of 19 October 2023 to Mrs R's complaint Santander said;

- It confirmed the first ISA transfer form it had received did include the correct account number with PP.
- Santander had said there had been delays as PP's ISA accounts were now administered by a third party which hadn't been realised initially.
- The ISA transfer form had been resubmitted to the correct recipient and Santander would backdate any interest on the funds for the delays experienced.
- If Mrs R thought she had suffered a loss because of the delay in the ISA assets being lower in value on the date of sale compared to the date they should have been sold after Santander had received her ISA transfer form on 29 September 2023, it asked for supporting evidence of this.
- It paid Mrs R £100 for the poor customer experience and distress and inconvenience caused.

Mrs R provided evidence to Santander of her losses, and it replied on 3 November and said;

- It accepted that there had been delays in the processing of Mrs R's ISA transfer, but it had 30 days to process this type of transfers.
- Mrs R hadn't suffered a financial loss as the amount transferred exceeded the amount she would have otherwise received if the funds had reached her account on the 30th day. So, no financial loss had been suffered.

Mrs R remained unhappy with the outcome and brought her complaint to this service. She said that she had incurred a financial loss because of the difference in the sale proceeds of her ISA assets with PP which were sold on 26 October 2023 rather than as expected on 1 October. This amounted to a difference in the sale proceeds of £772.23. The delays experienced caused Mrs R and her husband significant worry as the funds formed most of their retirement savings.

Our investigator who considered the complaint thought that Santander should pay Mrs R backdated interest;

- Because of errors caused by Santander there was a delay in the ISA transfer form being received by PP. Because of this Santander had paid Mrs R £100 as an apology which our investigator thought was fair.
- HMRC guidelines for a stocks and shares ISA is 30 days. Mrs R's transfer took 31 days, and the investigator didn't think Santander had put Mrs R back in the financial position she should have been in. So, she said Santander should backdate any interest from 29 October 2023 on the funds transferred.

Santander didn't have anything more to add. Mrs R didn't agree with the investigator;

- Santander's final response of 19 October 2023 said that a request had been made for 'the interest to be backdated when we receive the funds so that you don't suffer any financial detriment caused by the delay.' This was ten days before 29 October, which was the date recommended by the investigator.
- Santander had confirmed to Mrs R that 5.6% was already being paid on the ISA account from the opening date on 29 September 2023. So, she couldn't understand what had been agreed over and above this and for the date of 29 October to be chosen.
- Mrs R reiterated a loss of £772.23 had been suffered because of the errors made by Santander and she had made repeated attempts to resolve the matter.

Mrs R requested that her complaint be reviewed by an ombudsman, so it was passed to me for a decision. I thought the complaint should be upheld but needed to be put right in a different way, so I issued a provisional decision to allow the parties to provide me with anything further they wanted me to consider before I issued my final decision. Here's what I said;

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

After doing so, I'm thinking of upholding the complaint but with a different conclusion on how the matter should be put right.

I will first detail the timeline of the transfer;

- 29.09.23 – Santander received Mrs R's 'Stocks and Shares ISA Transfer Form' request.
- 02.10.23 – Santander sent the transfer form to PP – rather than its administrator – but this was rejected by PP as it couldn't locate the account.
- 03.10.23 – Santander sent a letter to Mrs R asking her to complete a further ISA transfer form as the account number on the previous form was incorrect. This proved to be wrong as the information was correct.
- 16.10.23 – Santander received the new transfer form from Mrs R.
- 17.10.23 – Santander wrote to Mrs R to confirm receipt of the ISA transfer request and that it had sent it on to PP, rather than PP's administrator.
- 18.10.23 – Santander wrote to Mrs R to confirm receipt of the ISA transfer request and confirmed it sent it to the administrator of PP.
- 19.10.23 – Santander sent the transfer form to the administrators of PP.
- 27.10.23 – PP's administrator confirmed that the transfer of funds of £193,562.54 had been completed.

- 30.10.23 – The funds transferred to Mrs R's Santander ISA account were received and the final paperwork was sent to Santander.

The crux of Mrs R's complaint is that if PP had received the ISA transfer application in a timely manner, shortly after it was received by Santander on 29 September, then the underlying assets within her stocks and shares ISA with PP would have been sold sooner at a higher price. As a result, a larger amount of cash would have been transferred to Santander at an earlier date. And I think it is this point that needs addressing.

As background, Santander has said that Mrs R's original ISA transfer form it received showed the ceding platform's address the incorrect address as PP's ISAs were being administered by a third party at a different address. It said this wasn't initially recognised by Santander as being the incorrect address, hence it sending the transfer form onto PP rather than its administrator.

However, I have reviewed the address on the Stocks and Shares ISA Transfer form received by Santander on 29 September 2023 and this is both the same address for PP and its administrator so I can't see that address was incorrect. It may have been that the form was received by PP rather than its administrator and PP couldn't reconcile the account number.

But Santander has also said that the account number on the form was wrong however, I understand from its response to Mrs R on 19 October that this wasn't correct. But for whatever reason, Santander had to ask Mrs R to complete a further ISA transfer form which was successfully received by PP shortly after it was sent on 19 October.

Clearly there were some delays here – however they arose – and no doubt this must have been extremely frustrating for Mrs R. She has told us these funds form the majority of her and her husband's retirement monies.

Our investigator explained HMRC's guidelines on the timings of ISA transfers. For cash ISAs they should take no longer than 15 working days, and for 'other types of transfer', which would include Mrs R's stocks and shares ISA transfer, they should take no longer than 30 calendar days. I should make clear these are only guidelines and not rules but the investigator used these timings as a benchmark in order to reach a fair outcome to the complaint. But I think the complaint should be put right a different way.

I say this because I think there is sufficient evidence to suggest that PP would have received the ISA transfer request sooner and so would have sold the underlying assets held within Mrs R's ISA at an earlier date.

Santander has said that the account number used by Mrs R was incorrect but that didn't prove to be the case and it has also said it sent the ISA transfer form to the wrong address. I take this to mean that Santander doesn't dispute that it caused the delays, and this is what needs to be put right.

To put the matter right I think it would be fair and reasonable to replicate and backdate the timings after Santander had confirmed it had sent the second ISA transfer form on to PP on 18 October. In that instance the sales had been made and the cash was available to be transferred on 27 October – so seven days later. In that instance I think the following timelines would have applied;

- Wednesday 18 October – ISA transfer request sent to PP
- Thursday 19 October – PP received the ISA transfer request
- Friday 20 October – PP placed the trades instructions – I assume on a forward pricing basis
- Monday 23 October – The trades were carried out.
- Wednesday 25 – The trades settled
- Thursday 26 October – The funds were on Mrs R's account ready to be transferred which happened the next day and were settled in Mrs R's Santander account on Monday 30.

So, backdating the same timeline to the first ISA transfer request, I think the following is likely to have happened;

- Monday 2 October – Santander sends the ISA transfer request to PP
- Tuesday 3 October – PP receives the ISA transfer request
- Wednesday 4 October – PP places the trade instructions, again I assume on a forward pricing basis
- Thursday 5 October – The trades are carried out
- Monday 9 October – The trades are settled
- Tuesday 10 October – the funds are on Mrs R's account ready to be transferred and the funds are sent to Santander the next day, Wednesday 11 October and are available in Mrs R's account with Santander on Thursday 12 October.

Mrs R has argued that in Santander's response to her complaint of 19 October it said it would consider her request for any financial loss once the funds were received. And I think that's the point here. At that time – when that statement was made – the funds hadn't been received and it wasn't known when they would be received. It was only in its letter of 3 November that it said the amount received exceeded the amount that would have been received on the 30th rather than the 31st day.

In its response of 3 November Santander said, 'the funds that credited the Santander ISA on 30/10/2023 were more than what would have been received had the funds reached the account on day 30.' I'm not sure what this means – whether Santander is saying the sale of the assets within the stocks and shares ISA were sold at higher prices than they would have done if they had been sold earlier, or whether interest, or similar, was accrued on the account in the meantime. But I haven't seen any evidence of this.

And what is known from the statement provided by Mrs R of her account with PP dated 26 October is that it shows the value of her ISA as being £193,549.81. This has been confirmed by PP as being held in cash so it's clear the assets within the ISA wrapper had already been sold by this time and were just awaiting transfer to Santander.

PP has told us the cash was actually transferred to Santander on 27 October and the valuation of 26 October is the last valuation it has of Mrs R's account. PP has told us that the difference between the two figures – the £193,562.41 transferred and £193,549.18 as per PP's valuation of 26 October, so £12.73 more – is because of platform and adviser charges for the final period – I assume a reimbursement, but I can't be sure. So, I think if Santander is saying that the sum Mrs R received on 30 October is

higher than the amount she would have received at the earlier date then I would need to see evidence of this but this hasn't been provided.

And by carrying out a backdated transaction this will evidence whether Mrs R has been put in a worse financial position which is what she is saying.

I have to reach what I consider to be a fair and reasonable outcome to a complaint based on the evidence and information in front of me. In the absence of such evidence, I have to make my decision based on the balance on probabilities of what I think most likely happened.

In this case I think it likely that PP would have carried out the sale of the ISA assets in early October within a similar timescale as that which was actually carried out in late October.

So, in the particular circumstances of this complaint, I don't find it would be a fair and reasonable outcome to use HMRC guidelines as I think there is sufficient evidence to suggest that a fairer and more reasonable outcome would be achieved by replicating the timeline that was later carried out.

Santander has already paid Mrs R £100 for the poor customer experience and distress and inconvenience caused. And I think this a fair reflection of the trouble that Mrs R was caused.

Taking all of the above into account, I uphold Mrs R's complaint. So, to put things right, I think Santander should calculate what Mrs R would have received if Mrs R's ISA holdings had been sold on 5 October 2023 ('A') and compare this to the value she received when the assets were sold on 23 October 2023 ('B'). If A is more than B, then Santander should refund Mrs R the difference and add interest at the rate that would have applied if the funds had been received in her ISA account at the earlier date – 5.6%.'

I concluded by saying that if either party had any reason to suggest alternative dates to the timelines I had laid out they should provide them to me with evidence in response to my provisional decision, and which I could then share with the other party if necessary.

Mrs R replied to say that she agreed with my provisional decision.

Santander responded to say that as the funds transferred were held in a stocks and shares ISA with PP it was unable to confirm what Mrs R would have received if her ISA holdings had been sold on 5 October. It also said that as it was a stocks and shares ISA the amount being sold could have fluctuated throughout the day. It requested that this service ask PP for a valuation of the ISA assets if they had been sold on 5 October and 23 October and it would review my provisional decision further.

Our investigator contacted PP who provided the following information;

- The sale instruction was submitted on 18 October 2023
- The sales were made at the next pricing point on 19 October, and it provided a contract note for reference.
- Had the sales been made on 5 October 2023, the sales would have generated £192,474.27, which was less than was generated on 19 October, so Mrs R had been financially advantaged.

- It provided a copy of the account valuation as of 5 October 2023 confirming the total account value as being £192,484.06.
- It also provided a copy of a best pricing calculation comparing the sales made on 19 October to the price of 5 October 2023.
- As it had already placed the sales by 23 October 2023, it confirmed the account value was £193,651.78 and it provided a valuation for reference. As the account had already been encashed by that date, it didn't provide a best pricing valuation calculation had the sales been made by that date.

I wrote to Mrs R with this updated information, and she accepted that she was better off because of the later sale date so nothing was due and sought guidance on the interest. I confirmed the interest as being payable from 12 October 2023. And I confirmed the same with Santander.

In its response Santander said it agreed with the provisional decision and to backdate the interest to 12 October 2023.

### **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.

After doing so, I remain of the same opinion as reached in my provisional decision in that I uphold Mrs R's complaint. And as Mrs R has accepted the findings in my provisional and Santander has also agreed, I see no reason to depart from my provisional decision albeit that Mrs R is better off because of the later sales so no redress is due and the interest at a rate of 5.6% should be payable from 12 October 2023.

In conclusion, I uphold Mr R's complaint.

### **Putting things right**

Santander should put the matter right as outlined above.

### **My final decision**

For the reasons given, I uphold Mrs R's complaint about Santander UK Plc and the matter should be put right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 25 July 2024.

Catherine Langley  
**Ombudsman**