

## **The complaint**

Mrs K has complained about how Clydesdale Bank Plc trading as Virgin Money ("Virgin Money") handled an ISA transfer request.

## **What happened**

On 25 October 2023 Mrs K wrote to Virgin Money to request that £12,000 be transferred from an ISA held with another provider into an ISA with Virgin Money.

Virgin Money subsequently wrote to Mrs K's existing provider on 27 October 2023 and asked that it provide an ISA history form and a cheque to complete the transfer.

The existing provider received this letter on 2 November 2023 and says it responded by sending a cheque to Virgin Money on the same day. However, it seems Virgin Money didn't receive the cheque.

As Virgin Money had not received a response, it resent the instructions to Mrs K's existing provider on 7 November 2023. However, the existing provider says it ignored this letter thinking it had crossed in the post with its previous letter sent on 2 November 2023.

Getting concerned that the transfer would not go through on time, Mr and Mrs K contacted Virgin Money and their existing provider. On 15 November 2023 the existing provider agreed to cancel the existing cheque and send the money via BACS. However, it had difficulties with this, and was only able to make the transfer once Virgin Money had confirmed the details of the payment instruction. This resulted in the ISA transfer taking place on 17 November 2023.

Unhappy with how Virgin Money processed the ISA transfer request, Mrs K complained to Virgin Money.

Virgin Money issued its final response to the complaint on 15 February 2023. Virgin Money apologised for referring to Mrs as 'Mr' in a prior letter. Virgin Money sent a copy of the ISA transfer form, which it had meant to include with its prior letter and concluded that the date stamp on the ISA transfer form of '31/10/23' was likely from the other provider. Virgin Money confirmed that the chaser it sent to the other provider would've included a cover letter with the reference number on it. In conclusion, Virgin Money said that the interest on Mrs K's ISA had been backdated to 7 November 2023 – which was 7 working days after the ISA acceptance date of 27 October 2023.

After Mrs K referred her complaint to this service, one of our investigators assessed the complaint and they did not uphold the complaint. As Mrs K didn't accept the investigator's assessment, the matter was referred 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.

Having considered everything, I do not uphold this complaint. I will explain why.

Firstly, I should say that I'm aware I've summarised the events of this complaint in less detail

than the parties have provided, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do. This approach simply reflects the informal nature of our service as a free alternative to the courts. And I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mr and Mrs K and Virgin Money have said, before reaching my decision.

I note that in terms of the ISA transfer, this didn't go smoothly and ended up taking longer than the 15-business day ISA transfer timeframe. I understand that Virgin Money received the ISA instructions on 27 October 2023 – which meant it had until 16 November 2023 in which to complete the transfer. But the transfer did not take place until 17 November 2023. Therefore, although the investigator had incorrectly said the transfer had completed within the necessary time frame, I acknowledge that the ISA transfer was in fact completed one day late.

When such delays occur, to put matters right this service would typically say that, whoever is responsible for the delay, should reimburse the consumer for any financial loss they may've incurred. In most cases, this is usually any additional interest that they might've missed out on because of such delays.

In this case, I can see that Virgin Money backdated the interest on Mrs K's ISA to 7 November 2023 - with that being 7 working days after it had accepted the ISA transfer. So in this case, I can't see that Mrs K has incurred a financial loss as a result of the delay in the transfer, because any potential loss she may've incurred has already been reimbursed by Virgin Money.

In terms of why the transfer didn't take place when it should've, it appears that Virgin Money didn't receive the cheque from the existing ISA provider. As the new ISA provider, Virgin Money was responsible for chasing the transfer of funds if not received, and it did send a chaser to the existing provider on 7 November 2023. So I'm satisfied that it took reasonable steps to process the transfer successfully.

I note that Mr and Mrs K took it upon themselves to intervene in the process, by phoning both Virgin Money and their existing provider to ensure that the transfer would be processed. For example, they ended up liaising between Virgin Money and their existing provider to confirm the BACS details for the transfer of funds to be processed.

However, whilst I understand why Mr and Mrs K did this, I've no reason to doubt that the transfer would've gone through eventually, albeit later than it should've been, had Virgin Money and the existing provider been left to rectify the matter of the missing cheque themselves i.e. by backdating any interest Mrs K may've missed out on due to the delay once the transfer was completed. And Virgin Money assured Mr K on the phone before the 15 business day time limit had expired, that if there was a delay in the transfer being processed (due to the cheque not being received from the existing provider), that interest would be backdated, to ensure Mrs K didn't miss out on earning interest on her money – which Virgin Money did. So in the circumstances I don't think it would be fair to say that Virgin Money should pay Mrs K compensation because of Mr and Mrs K's decision to try and manage the transfer themselves.

So in summary, I accept that the transfer didn't go as it should've. And I can see that Mrs K had a number of concerns about the transfer process - including whether acknowledgement letters (that the business says it sent out) were actually posted to her; date stamps not matching the date when the business says it received the forms, and whether the financial business had correctly updated the ISA transfer database. But overall, I'm satisfied that Virgin Money took reasonable steps to put things right for Mrs K. I therefore don't think Virgin Money needs to do anything further in relation to this complaint.

**My final decision**

Because of the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 6 November 2024.

Thomas White  
**Ombudsman**