

The complaint

Mr D's complaint concerns a delay in transferring his son's Junior ISA from Wealthify Limited to a new provider.

What happened

Mr D instigated the transfer to the new provider at the start of December 2023. To facilitate it the funds in the stocks and shares ISA needed to first be sold down and the cash then transferred. The process hadn't completed by early January 2024, despite chases from Mr D, so he raised a complaint with Wealthify. It hadn't completed the transfer or provided a final response by the end of February 2024, so Mr D then referred the complaint to this service.

Wealthify eventually issued a final response in late April 2024. It acknowledged the delays experienced with the transfer but felt the fault lay primarily with the other provider. It explained that incorrect bank details had been provided to it for the receipt of funds and then those funds had been returned to Wealthify on several occasions prior to the transfer eventually completing at the start of April 2024.

Wealthify said that it had needed to fully understand the chronology of events before responding in full to Mr D, hence why the final response had been delayed. But it accepted this was poor service and although it didn't uphold the complaint in respect of the transfer delay it offered £50 for the delay in responding to Mr D on the matter.

Mr D didn't accept this and referred the complaint to this service. Our investigator considered it and reached a similar conclusion to Wealthify – that responsibility for the transfer delay appeared to sit primarily with the other provider. But the investigator did note that Mr D had chased Wealthify repeatedly and had supplied it with contact details for the new provider that it should've been able to obtain itself. As such, the investigator recommended that Wealthify pay an additional £50 to acknowledge the distress and inconvenience caused to Mr D by him having to prompt Wealthify to take action.

Mr D didn't accept the investigator's view. He felt that it hadn't acknowledged the likely financial loss caused by the delay as the funds were held up and unavailable for reinvestment for two months. And overall, the recommended compensation didn't fairly represent the poor service provided.

The investigator wasn't persuaded to change his opinion, so the matter was referred to me to review.

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 come to the same conclusions as the investigator and for broadly the same reasons.

It's quite clear that the transfer didn't proceed as it should've done and the time taken to complete it far exceeded the general expectation for this type of transfer, by over two months. But looking at the chronology of events it does appear that the other provider failed to give Wealthify the details it required on several occasions, and I've seen evidence of Wealthify chasing the new provider. So, I don't think it would be fair to hold Wealthify wholly responsible for the delay.

But I do appreciate that Mr D found himself having to guide the process in a way that he really shouldn't have had to, and to call upon his professional knowledge and experience to prompt action. He provided contact details for the new provider to Wealthify that it appears it should've had access to and been able to use without Mr D's prompting.

That said, in all the circumstances I'm satisfied the overall resolution proposed – that Wealthify pays Mr D a total of £100 – represents a fair outcome in respect of its role in the matter. I note Mr D's comments regarding additional financial loss resulting from the delay in investing the funds. But while I in no way mean to downplay the importance of the monies involved, nor the frustration caused, I'm conscious that given the amount transferred and the length of the delay, any financial loss is likely to have been small relative to the £100. As such, I don't feel an increase to the overall award is warranted.

Putting things right

I understand Wealthify has already paid Mr D £50 to acknowledge its delay in fully responding to the complaint. It should now also pay the further £50 suggested by the investigator to compensate Mr D for the time and effort he went to in order to prompt action from Wealthify to get the transfer completed, bringing the total compensation to £100.

My final decision

For the reasons given, my final decision is that Wealthify Limited should pay Mr D a further £50 if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 January 2025.

James Harris
Ombudsman