

The complaint

Mr M complained about the level of service provided by Shawbrook Bank Limited when transferring a cash ISA (Individual Savings Account) to another provider.

What happened

I set out the background and my provisional findings to the complaint in my most recent provisional decision, and copied here.

In early October 2023, Mr M opened a cash ISA with another provider (who I'll refer to as A) in readiness to transfer the majority of some funds maturing later that month from a fixed term cash ISA he held with Shawbrook. He completed an ISA transfer form with A which was forwarded to Shawbrook.

To give some background regarding processing dates, Mr M opened his fixed term cash ISA with Shawbrook on 20 October 2022 and credited the opening deposit on 26 October 2022 therefore marking this date as the start of the one-year fixed term. The account matured on 25 October 2023 and in line with Shawbrook's process, their system accepted the transfer task on 26 October 2023 and the transfer was accepted on 27 October 2023.

The transfer was fully completed on 6 November 2023 which is within the government's 15 business day stipulation however, Mr M was unhappy as he considered that the funds themselves should have been transferred within five business days of acceptance. Mr M complained to Shawbrook about this, explaining that he had lost out on a higher rate of interest with A for a number of days as after maturity, the 'default' interest rate that was applied to the funds was significantly lower than the rate he had secured with A.

Shawbrook investigated the case and didn't uphold it. They said that as the ISA transfer was completed within the 15-business day rule, no error had been made and issued a final response.

Unhappy with this, Mr M brought the complaint to our service. Our investigator didn't uphold the complaint saying no errors had been made. They said despite Mr M saying he had received the funds after five business days, Shawbrook completed the process within the five days therefore they wouldn't be asking Shawbrook to do anymore.

Mr M remained dissatisfied and requested an ombudsman review his complaint.

I issued a provisional decision on 22 March 2024 in which I upheld the complaint. I required Shawbrook to calculate for two days, the difference in interest between the rate that Mr M secured with A, and the rate that that was applied after his funds matured, solely for the amount that was transferred to A. Then send this amount to Mr M. I also intended to require Shawbrook to pay Mr M £100 compensation for the inconvenience it has caused him in dealing with this issue.

What I've provisionally decided – and why

Before I issued this provisional decision, I asked Shawbrook for some specific information, namely an exact timeline of events covering the ISA transfer, and the specific date on which they remitted the funds to the A. Unfortunately, they didn't provide it.

I did issue my provisional decision subject to any further information I received, and I am pleased to confirm that Shawbrook have now provided what I required and as a result, I've come to a different decision to that I came to originally.

In my original decision, I talked about the five working day timescale in which funds needed to be sent from Shawbrook to A, and Shawbrook's terms and conditions say the funds must be 'sent within 5 working days of receiving instructions from your new ISA provider'. As I was without the information I required, I took the start date of these 5 days to be 26 October 2023 (the day on which Shawbrook's system accepted the transfer task) and had seen some evidence that the funds were remitted on 3 November 2023; thus exceeding the five working day timescale.

This is why I proposed that Shawbrook calculate two days of interest difference as the funds transfer exceeded the 5 working day timescale by 2 days.

Shawbrook have now provided detailed evidence of the ISA transfer timeline for Mr M and confirmed that the funds were remitted on Friday 3 November at 19:40. Turning to the start date of the 5 working days, now I have all the information I require, I can clarify this is in fact 30 October 2023. The reason for this is Shawbrook (the sending bank) needs to receive a message from A (the receiving bank) called 'ready for payment' and this message was received by Shawbrook on Monday 30 October 2023. As the funds were sent on Friday 3 November 2023, they were therefore sent within 5 working days of receiving instructions (the 'ready for payment' message) from A. With this in mind, I can't find that Shawbrook sent the funds outside of their terms and conditions.

I am aware of a common misconception about the start date of the five working days in that in the past, it has been erroneously regarded as when the ISA instruction is received. However, for clarity, the timescale begins once the 'ready for payment' message is received. This aligns with the government ISA provider guidelines which I referenced in my original decision; the pertinent section of which I have highlighted in bold:

- *The new ISA manager has 5 business days to forward the instruction to the old ISA manager.*
- ***The old ISA manager has 5 business days in which to send the funds and information to be provided to the new ISA manager.***
- *The new ISA manager has 3 business days to apply the funds to the new ISA.*
- *The other 2 days are to allow for time taken for first class post between managers.*

I know Mr M will be disappointed with my revised decision as it differs from my original but as I've stated, I must provide a decision dependant on the information I have at the time. And if our service subsequently receives pertinent information, we must revise our view accordingly.

One more point I want to make is the importance of the 'ready for payment' message and Shawbrook waiting for it. It was imperative that Shawbrook waited to receive the 'ready for payment' message before sending Mr M's funds as not doing so would have meant sending funds to an account which may not have been ready to accept them. Potentially serious consequences of this may have been the funds were temporarily lost or delayed which Shawbrook, A, or Mr M would certainly want to avoid.

I did want to acknowledge the fact that Mr M took action with A weeks before his account with Shawbrook matured showing efforts toward ensuring the transfer went smoothly, and whilst this doesn't speed up the transfer process, it did get information to Shawbrook for maturity.

In conclusion, as I've seen evidence that the funds were sent within 5 working days of receiving the ready for payment message, which is what Shawbrook stipulate, and the entire transfer was completed within the industry 15 working day timescale, I find no errors made so I cannot ask Shawbrook to do anything further. Consequently, it would not be fair to ask Shawbrook to make any compensation payment.

My provisional decision and the parties' responses

I provisionally decided not to uphold the complaint. Shawbrook responded to say they agreed with it, Mr M responded to say he did not agree.

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 am now in a position to issue a final decision and I am not upholding the complaint. I will also address the points that Mr M raised in response to my second provisional decision.

The background to this complaint is well known to both parties, and is detailed in my previous decisions, so I won't repeat all the details here. I will continue to refer to the new ISA provider as A.

Mr M in his recent email considered that the argument centres around what he called 'the start date of the five working days Shawbrook have to complete the transfer' but completing the transfer and remitting the funds are separate aspects. Therefore, for clarity, what I consider to be the main argument is the start date of the five working days that Shawbrook have to remit the funds, and this is what I have concentrated on.

Looking at the ISA guidance on the government website, it stipulates that the old ISA manager (Shawbrook) had 5 working days in which to send the funds and information to be provided to the new ISA manager. This 5 working day period starts after an initial 5 working days which is allowed for the new ISA manager (A) to forward the instruction to the old ISA manager. It's important to note that despite Shawbrook already being in possession of this instruction before Mr M's maturity date, it does not negate or reduce this initial 5 working day period. For ease of understanding, the 5 working day timescale to remit the funds effectively begins on day 6 of the overall 15 working day timescale.

Shawbrook's own T&Cs state that 'We will send your funds to your new ISA provider within 5 Working Days of **receiving instructions** from your new ISA provider' and I acknowledge there has been some debate around what qualifies as **receiving instructions**. Mr M considers this trigger to be 26 October 2023 which is the day after his maturity and the day on which A re-requested the ISA transfer; A had requested the transfer prior to this but it was before Mr M's maturity.

Mr M also provided details of legislation to confirm this but as the legislation simply talks about 'receiving the transfer instruction', I can't say that this persuades the point.

Looking at what I consider to be the true trigger, or the date that qualifies as the start of the 5 working day period for Shawbrook to remit the funds, this is the date on which Shawbrook received the ready for payment (RFP) message from A. As I mentioned in my second decision, the importance of Shawbrook waiting for the RFP message cannot be overstated as it is the ultimate confirmation that the recipient account is ready to accept the funds. Shawbrook sending funds before this message is received could put the funds at risk, possibly even losing ISA allowances.

Examining the dates involved in the remittance of the funds by Shawbrook to A, the RFP was received Monday 30 October 2023 and the funds were remitted on Friday 3 November 2023, which is within the 5 working day timescale, so I can't find an error made by Shawbrook.

And in any event the ISA transfer was completed within the 15 days as laid down in the ISA guidance. And this is in line with Shawbrook's own terms and conditions, which say: 'We will send your funds to your new ISA provider within 5 Working Days of receiving instructions from your new ISA provider'.

But I think Shawbrook's wording in some parts of its terms could be clearer. Shawbrook understands the timings, and the need for a ready for payment request, but I think some consumers would consider the payment would be completed within five working days.

Clearly Mr M read the terms this way and I can't penalise Shawbrook for the quality of its terms and conditions. But where I think the terms and conditions are unclear, and if they've caused detriment to Mr M, I can look to compensate him for this.

Mr M expected the transfer to be completed in a certain time but I'm aware that Mr M's already been paid £155 in compensation, (although I acknowledge that some of this relates to another aspect of the complaint not brought to this service) and in view of the minimal impact, it's not fair to ask Shawbrook to compensate further in the circumstances.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 August 2024.

Chris Blamires

Ombudsman