

The complaint

Mr B complains that Novia Financial plc, trading as Wealthtime, caused delays in transferring his ISA to another provider. He says Novia delayed selling his investments, so he received less money than he should have, and that he had to pay interest on his mortgage because the money hadn't been transferred. He wants this reimbursed, plus compensation for the distress caused.

What happened

Mr B had a stocks and shares ISA with Novia.

On 30 September 2022 he opened a cash ISA with another provider, who I'll refer to as "A". That account formed part of Mr B's offset mortgage, meaning that the balance would be used to reduce the interest payable on his mortgage.

In September 2022, his financial advisor gave instructions to partly liquidate the shares held in the Novia ISA and then gave instructions to transfer £120,000 to A. But Novia said it couldn't accept partial transfer instructions.

Mr B says he then instructed A to arrange a full transfer of his Novia ISA. He says this should have taken 15 days, but it took two and a half months. He complains that no one from Novia contacted him to explain the reason for the delay.

He told us that by December 2022, he knew the money had been sent by Novia, but A wasn't able to confirm it had received it until 9 January 2023. This left him worried over the Christmas period that he had lost his life savings. Whilst accepting some of the delay may have been due to A, he complained to Novia.

Novia accepted it had caused some delay and that, had it progressed the transfer within its usual timescales the investment sales would have taken place eight working days earlier than they did (on 16 November). But it calculated that the delay didn't cause Mr B any financial loss – his investments were sold at a higher price than they would've been if there hadn't been a delay. It offered to pay him £100 for the distress and inconvenience caused.

Mr B didn't accept Novia's offer. He didn't think it reflected the level of stress and sleepless nights he'd had, and that it didn't compensate him for the mortgage interest he'd had to pay and the loss of interest he incurred due to the time it took to liquidate his investments.

Our investigator initially thought Novia had used the wrong date for its loss calculation. She thought any loss should be calculated as if the sales had taken place on 8 November 2022. She used this date as she thought Novia had received the transfer instructions on 18 October 2022 and the government guidelines say a cash ISA transfer shouldn't take longer than 15 working days. And she thought Novia should pay Mr B £100, in addition to the £100 already offered, for the distress and inconvenience he'd been caused.

Novia didn't agree. It said it couldn't sell Mr B's shares before 28 November 2022 because this was the date it received the "wet signature". It still acknowledged that, overall, it had

caused eight days delay, so thought it was correct in completing the price comparison as at 16 November.

Our investigator considered this further and changed her view. She accepted Novia couldn't have sold the shares before 28 November 2022 and so didn't think any loss calculation was needed because this was the date the shares were sold. And she thought her initial recommendation that Novia should pay Mr B an additional £100 was now too high. She thought £50, in addition to the £100 already offered by Novia, was fair and reasonable.

Mr B didn't agree. He said, in summary, that:

- He thought the investigator had initially recommended compensation of £300. Which he would have reluctantly accepted to draw a line under the matter.
- The transfer should've taken 15 days, but took two and a half months. This cost him over £2,000.
- £150 doesn't fairly reflect the stress, wasted time, and costs involved since the process started. And Novia has probably profited on his money during the delay.

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.

Firstly, it's important to note this complaint is only about what Novia did and didn't do. Mr B has also complained to A, but I can't comment on that complaint or its outcome.

I appreciate Mr B feels the delay could've been avoided completely, had Novia acted on the instructions given by his financial advisor to make a partial transfer from Mr B's Novia ISA to his ISA held with A. But Novia's terms say that, "*Only whole and not partial ISA transfers can be made.*" (7.1) Whilst I appreciate the terms for the account are fairly long and detailed and Mr B may not have read the entire document before he agreed to open an ISA account with Novia, I'm satisfied that this term is reasonably clear. Novia has taken the commercial decision not to accept partial ISA transfers and I'm satisfied this is a decision it's entitled to make and is reflected in the terms which Mr B agreed to.

Mr B opened a cash ISA account with A and instructed it to transfer the balance in his Novia stocks and shares ISA. Let me firstly clarify that the 15 working days transfer time, which has been quoted by all parties, only applies to transfers between cash ISAs. In this case the transfer was from a stocks and shares ISA, so the applicable transfer time set out in the government regulations is that the transfer "*should take no longer than 30 calendar days*". It doesn't automatically follow that Novia has a liability because the transfer was completed outside of this 30-day timescale. There may be valid reasons why the transfer took longer. And it's possible the new provider also bears some responsibility for the delay here.

I find Novia received the ISA transfer request from A on 18 October 2022. I'm satisfied it can't be held responsible for any delay prior to this date.

Novia couldn't proceed with the transfer – which firstly required Mr B's investments to be sold – until it received a "wet signature". In other words, it needed the original instructions signed by Mr B. The regulations largely allow businesses to decide the format they will accept for transfer instructions, including when they require a "wet signature". Taking that into account, I don't find it unreasonable that Novia couldn't sell Mr B's investments until it received the "wet signature". And it didn't receive this from A until 28 November 2022.

But Novia accepts it caused delays between 18 October and 28 November. It says it should've started working on the transfer request three working days earlier than it did. And that it should have replied to A's chaser email dated 24 October eight working days earlier than it did. It's come to that conclusion using a five working day turnaround time for all requests because this is the timescale it generally aims to meet. Whilst it may not always take Novia's transfer team the full five working day period to react to any incoming requests and emails, I don't think it's unreasonable to use this timescale when deciding whether Novia caused any delay. So I agree with what Novia has concluded here and I'm satisfied that any other delay during this period wasn't Novia's responsibility.

Had Novia placed the sales eight working days earlier than it did, it's calculated that the sale proceeds would've been less than when the sales were actually placed on 28 November. So I'm satisfied the delay didn't result in a financial loss.

The delay did cause Mr B some distress and inconvenience and I think £150 is fair and reasonable compensation in the circumstances.

I now need to consider if Novia caused any delay in sending the sale proceeds to A. Novia couldn't transfer the cash until it was in receipt of all the sale proceeds. It's told us the final proceeds were received on 6 December. But it also needed to verify the payee's account, to ensure it was paying the correct account and to avoid any fraudulent activity. It attempted to verify the account by calling A on the number it had provided, but the line was out of service. So it had to email A to ask it to get in touch. Novia was finally able to verify the account on 9 December and it made payment the same day. So I don't find any delay here was Novia's responsibility.

In its email dated 5 December 2022, A instructed Novia to pay the money to its sundry account, because it was more than £20,000. I'm satisfied Novia followed this instruction and that it used the reference that A had requested to enable it to identify the payment. And that Novia provided A with the transfer history form a few days later.

Overall I'm satisfied Novia followed A's instructions for the payment.

I can see Mr B called Novia at least four times to find out what was happening with the transfer, and for help once it had made the payment but it hadn't yet been allocated to his ISA account with A. And I don't doubt this was stressful and time consuming for him. But Novia is an advisor-led platform and it's first point of contact would have been Mr B's financial advisor. And, as the new ISA provider, and the party who'd requested the ISA transfer, I think it's reasonable to expect A to have updated Mr B as required and take any additional steps that were needed to progress the transfer. It would seem the most worrying time for Mr B was after Novia had made the payment, but A couldn't trace it. But as I'm satisfied that Novia had made the payment in accordance with A's instructions and that it used the reference A had requested, I don't think it's fair for Novia to compensate Mr B for the distress he was caused during this period.

My final decision

My final decision is that Novia Financial plc, trading as Wealthtime, should pay Mr B £150 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 October 2024.

Elizabeth Dawes

Ombudsman