

The complaint

Mr 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 Mr K wrote to Virgin Money to request that £10,000 be transferred from an ISA held with another provider into an ISA with Virgin Money.

Virgin Money subsequently wrote to Mr 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 Mr 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 K contacted Virgin Money and his 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, Mr K complained to Virgin Money.

Virgin Money issued its final response to the complaint on 15 February 2023. Virgin Money apologised for incorrectly entering 23 October 2023 on the ISA Transfer form. In conclusion, Virgin Money said that the interest on Mr 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 Mr K referred his complaint to this service, one of our investigators assessed the complaint and they did not uphold the complaint. As Mr 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 involved, 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.

Firstly, 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, I acknowledge that the ISA transfer was delayed by one day.

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 the delays.

In this case, I can see that Virgin Money backdated the interest on Mr K's ISA to 7 November 2023 - with that being 7 working days after it had accepted the ISA transfer. So, I can't see that Mr K has incurred a financial loss as a result of the delay in the transfer, because any potential loss he 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 I note that 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 K took it upon himself to intervene in the process, by phoning both Virgin Money and his existing provider to ensure that the transfer would be processed. For example, he ended up liaising between Virgin Money and his existing provider to confirm the BACS details for the transfer of funds to be processed.

However, whilst I understand why Mr 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 Mr K may've missed out on due to the delay, once the transfer was eventually completed. And Virgin Money assured Mr K on the phone before the ISA transfer 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), the interest would be backdated, to ensure he didn't miss out on earning interest on his money – which Virgin Money did. So in the circumstances I don't think it would be fair to say that Virgin Money should pay Mr K compensation because of his decision to try and manage the transfer himself.

So in summary, I accept that the transfer didn't go as it should've. And I can see that Mr 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 him; 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 Mr 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 Mr K to accept or reject my decision before 6 November 2024.

Thomas White

Ombudsman