

The complaint

Mr P complains Skipton Building Society transferred his Individual Savings Account (ISA) to a non-ISA account in error.

What happened

Mr P contacted Skipton in April 2024 to enquire about transferring his existing Skipton ISA into a new ISA. But Skipton told Mr P that he didn't hold an ISA with it. Mr P raised a complaint with Skipton as he believed he had been investing in Skipton ISAs for several years.

Skipton responded saying that the last ISA Mr P held with it was transferred into a Bonus Saver Issue 8 account - which is not an ISA, in August 2023 in line with the ISA maturity instructions he had provided on-line in July 2023.

Unhappy with the outcome of his complaint Mr P referred his complaint to this service. Our investigator looked into it. But he didn't uphold the complaint. He said Mr P had submitted his ISA maturity instructions in July 2023 and, in doing so, he had selected a non-ISA product. So, he didn't think Skipton had done anything wrong.

Mr P didn't accept this outcome and asked for an ombudsman's final decision. So, the complaint has been passed to me.

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.

It's clear Mr P feels strongly about what happened. He's made several detailed points in support of his complaint, which I have read and considered. I hope the fact that I do not respond in a similar manner will not be taken as a discourtesy; as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality.

In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue. And I understand the crux of this complaint to be that when Mr P's ISA matured in August 2023, the funds were transferred to a non-ISA account resulting in Mr P losing the tax-free status on his savings.

I can appreciate why Mr P was alarmed to be told he no longer held an ISA with Skipton as I accept he genuinely believed he had reinvested his savings into a new ISA in 2023. But I can only uphold his complaint if I found that Skipton had done something wrong or treated Mr P unfairly. And I don't think it did. I'll explain why.

Mr P opened a 16-month ISA in April 2022 which was due to mature in August 2023. The investigator has already set out a timeline of the events leading up to this complaint, so I won't repeat everything again here.

Skipton has provided its internal records to show that Mr P submitted the maturity instructions for his maturing ISA on 20 July 2023 on-line. And I'm satisfied that this shows the product Mr P's ISA moved to was the Bonus Saver 8 account – a non-ISA account.

Skipton hasn't provided any evidence of what Mr P input when he applied on-line. But: based on what I've seen, what Mr P has said and because the account was opened on-line (no human intervention on Skipton's part), I think it's more likely than not that Mr P selected the wrong account by mistake. I think it's most unlikely that the Bonus Saver account would have been opened if Mr P had selected a different account. And, as part of the account opening, I'm also persuaded Mr P would have clicked to say he'd read the terms and conditions of the Bonus Saver account.

Skipton has provided evidence to show that it emailed Mr P on the same day acknowledging his maturity instructions and attaching the new account terms and conditions for the Bonus Saver account. And Mr P has confirmed receipt of the email and its attachment.

I've read the terms and conditions of the Bonus Saver (Issue 8) account, and I'm satisfied these make no reference to the account being an ISA account. And I find this ought to have reasonably alerted Mr P that the account he'd opted for might not be what he had intended to open. And I've seen that Mr P had the opportunity to make changes if he wanted as the cover email says: '*You can view or change your instructions up to 8.00pm on the 8 August 2023*'. But I've not seen anything to suggest Mr P raised any queries with Skipton at this time or opted to make a change.

Mr P has suggested Skipton shouldn't have offered him the option of a non-ISA product. Or that it should have alerted him that he was forfeiting his ISA status when opening the Bonus Saver account. And he has provided a screenshot of what another business shows on-line.

But in the circumstances here, Skipton wasn't providing investment advice to Mr P. Mr P was making an informed choice of the type of account he wanted to transfer his money to. And, at the time, Skipton offered a range of accounts with different interest rates and features. So, I'm not persuaded that Skipton acted unfairly in making Mr P aware of all the options available to him. And I've not seen anything to make me think Skipton was obliged to provide Mr P with a warning that he was moving his funds away from a tax-exempt account.

Mr P has also mentioned that listing accounts with 'Iss' in the account name is misleading. But I can see that Mr P held other non-ISA savings accounts with Skipton – some of which also have 'Iss' (short for 'Issue') in the account name followed by a number. So, I think Mr P ought reasonably to have been aware that 'Iss' – in itself, doesn't mean an account is an ISA.

Overall, I accept that it wasn't Mr P's intention to transfer his maturing ISA funds to a non-ISA account. And, as a result, it's unfortunate there are some tax implications on his savings. But, given the above, I can't fairly conclude that what happened here was the result of an error on Skipton's part. So, while I'm sorry to disappoint Mr P - as I empathise with his situation, I won't be asking Skipton to take any further action in respect of this complaint.

Mr P has mentioned other concerns in his correspondence to this service – for example, he has referred to how and when interest has been applied to his savings accounts. But I consider any additional points to be outside the scope for this decision as they don't relate to the crux of the complaint initially made to Skipton.

This service can only make findings on complaint points that have already been considered and addressed by the business in its final response letter – and I haven't seen anything to suggest that Skipton has specifically answered these other concerns. Rather, Mr P has said that Skipton simply told him these points didn't impact the outcome it had reached on this complaint.

As Mr P has continued to raise these concerns in correspondence to this service, I have asked the Investigator to raise a new complaint under a separate complaint reference so these concerns can be considered – rather than delay the outcome of this complaint. If Mr P no longer wants these points addressed, he should let the Investigator know.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 November 2024.

Sandra Greene
Ombudsman