

The complaint

Mrs H complains that Aldermore Bank Plc caused her ISA transfer to be delayed which resulted in lost interest.

What happened

Mrs H says she opened an ISA online on 28 March 2024 but was later told she needed to complete a transfer form. This was emailed to Aldermore on 20 April 2024, but Mrs H says it was then explained that she'd need to return a signed copy by post. She says the ISA wasn't transferred until 23 May 2024 and she has lost interest of £113.18 as a result.

Aldermore says Mrs H would have been prompted to print an ISA transfer form on 28 March as the existing provider was paper based. It accepted that further delays were caused during the call on 17 April 2024 when a colleague failed to check whether the previous provider was paper based. It paid Mrs H £50 for this and backdated the interest to 10 May 2024.

Mrs H said she considered the compensation to be inadequate. She calculated the lost interest as £113.18 and requested a further £250 for her costs and inconvenience.

Our investigator didn't recommend the complaint should be upheld. She acknowledged there had been delays but found Aldermore's redress to be fair for the shortcomings in service.

Mrs H responded to say, in summary, that the delay was caused because the previous provider was listed erroneously on the website as being available for electronic transfers.

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.

When Mrs H applied for an ISA online with Aldermore, she says she selected the previous ISA provider from a drop-down menu and that it was listed erroneously as available for electronic transfers. I've seen the screenshots of the messages that would have been displayed to Mrs H at the time and, following the set-up of the account, the screen says: *"As you are transferring an ISA from <provider name> you will need to download, sign, and post the ISA transfer form to:"*, with a link to the *"Print Ready ISA Transfer Form"*.

I've also seen evidence to show that Mrs H's previous provider was listed in Aldermore's system as a provider that does not allow electronic transfers.

So, I'm satisfied that Mrs H's previous provider was not listed erroneously as accepting electronic transfers and that Aldermore's systems did not cause the initial delay.

That said, when Mrs H called on 17 April 2024, Aldermore accepted that it did not initially identify the provider as one that did not accept electronic transfers. Had it done so, I find the transfer should have been completed by 10 May 2024, so I consider it fair for Aldermore to backdate the accrued interest to that date. Aldermore has confirmed it's made an interest adjustment of £35.03 for this.

Mrs H has now re-calculated her lost interest, taking into account her original provider was paying 2% interest during the delay. However, she says she would have been earning the incremental rate of 2.94% for 42 days if the funds had been transferred promptly. Mrs H calculates the lost interest as £67.36 on this basis and maintains she should be paid a further £250 for the inconvenience.

I understand Mrs H's frustration, but I find that the initial delay was not caused by Aldermore for the reasons outlined above and that the interest adjustment is fair. Furthermore, I acknowledge that the call on 17 April could have been more helpful, but I consider the £50 offered for this is reasonable and in line with our usual awards in this area.

In summary, I'm satisfied Aldermore's response has been fair and I note the total compensation more than offsets Mrs H's calculations of the interest she says she has lost.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 December 2024.

Amanda Williams
Ombudsman