

The complaint

Mrs W is unhappy with Nationwide Building Society. She said Nationwide gave her incorrect advice about her ISA. Mrs W said the advice meant she lost out on earning more interest. Mrs W wants Nationwide to give her the lost interest and compensate her.

What happened

Mrs W opened a two year fixed rate ISA. But a few months later she said she realised interest rates were going up and she was on a low rate. Mrs W said she worked out that including the expense of the potential 180 day interest charge for moving to a new ISA it would still be worthwhile to transfer and would make her more interest.

Mrs W went to a local branch and said after discussions with a manager she was advised that she couldn't move the ISA as it would lose ISA status. Mrs W didn't go ahead and then when the ISA matured, she asked and was told by two different Nationwide staff members that she could have moved it when she originally wanted to. Mrs W complained to Nationwide but agreement couldn't be reached so she brought her complaint to this service.

Our investigator didn't uphold the complaint. She said on balance it was unlikely the branch manager gave Mrs W incorrect advice. She said the managers testimony showed she was aware of the correct process to follow and wouldn't have said the ISA couldn't be transferred. Our investigator said as Mrs W thought the advice strange, she was surprised Mrs W didn't seek further discussion. Our investigator wasn't persuaded that Nationwide had made an error.

Mrs W didn't accept this and asked for her complaint to be passed to an ombudsman for a final 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.

Originally Mrs W opened a 1.40% 2 year fixed rate cash ISA. She said when she reviewed the terms and conditions some months later it said there was a 180 day penalty charge. Mrs W said she wasn't worried about the charge she just wanted to transfer into another ISA now that better rates were available. She said she had worked out that even with the penalties she would be earning more interest.

Mrs W said she went into a local branch and spoke to a cashier who was a trainee. Mrs W said the trainee passed her on to the manager. Mrs W said she explained what she wanted to do and was told there would be a penalty charge. Mrs W said the manager checked her accounts and said as she had already withdrawn £10,000 from another different ISA this had used up part of her ISA allowance for the year, which she wouldn't be able to replace. Mrs W said she found this advice *"a bit strange."*

Mrs W said the manager told her she wouldn't be allowed to just close the fixed rate ISA and transfer it to another ISA as it would lose the ISA status. Mrs W said she also thought this was strange but said she didn't really know any different as she wasn't the expert.

Mrs W said as it was just before the new tax year, she thought about splitting the ISA – but said she didn't ask any further questions. She said there was no reason to query what she had been told. Mrs W said the manager told her it would be best to stick with what she already had.

When the ISA reached maturity Mrs W spoke to Head Office. She asked why she wasn't allowed to transfer it if she had paid the penalty. Mrs W said she was now told she could have transferred and paid the 180 day penalty.

A little while later Mrs W visited another local branch. She said she asked the same question and got the same answer in this branch as she did from Head Office.

Mrs W calculated she had lost out on approximately £825 over the period.

In its final response to the complaint Nationwide said:

"You mentioned in your letter that you spoke to a trainee during this visit, the branch manager has confirmed that during this time there were no trainee members of staff. They have also confirmed that they are aware of the ISA process and can't agree they gave you any wrong information. They have confirmed that due to the nature of the question asked, they wouldn't have needed to explain the £10,000 ISA withdrawal as you were not asking to add anymore to the ISA so this wouldn't be something they would look at."

The branch manager had said when asked by Nationwide:

"The customer states that originally she saw a trainee employee in the branch, which would indicate that maybe the initial conversation started with another employee? I am confused as we did not have any trainee employees working in the branch."

I would refute that I gave her the incorrect information, I don't recall the exact interaction but I wouldn't check previous withdrawals or ISA allowance when asked about closing FRISA and opening a new one as its irrelevant for this type of query. The only time you would look at previous withdrawals and allowance is if member was adding more funds to an ISA which this doesn't sound like what was happening. So, I don't understand why the customer would take from the interaction that she's not able to close an ISA, I would question as to why if the customer felt that what I was saying was strange why this was not questioned before maturity of the FRISA Bond."

So, the manager at the Nationwide branch said there were no trainee employees at the branch around the date Mrs W visited.

Nationwide said no incorrect information was given to Mrs W. It said the only time it would look at previous withdrawals and allowances would be if Mrs W was adding more funds to an ISA. It said that wasn't what was happening here.

Mrs W said she had done her research on rates, changes, and a transfer. So, it would seem to me Mrs W had all the information she needed in advance of any discussion.

There's no record of the discussion at the time. But we do have Mrs W's evidence and the manager's response statement and Nationwide's position following staff discussing the complaint details with the manager.

There's no record or details from either party mentioning why further questions and queries weren't dealt with during the discussion between Mrs W and the manager.

Mrs W said the only reason she went into the branch was to arrange transferring the ISA to one with a better rate. Although Mrs W now said the advice was strange, she also said she didn't question it.

I've no details to suggest Mrs W asked anyone else anything further about her options for the duration of the ISA even though interest rates on other ISA's remained much higher than her existing ISA.

There's no obvious connection between Mrs W's different ISA's. I tend to agree with the statements from Nationwide above. Mrs W wasn't looking to add money to the other ISA so there's no reason why the other ISA would have been discussed or looked at during any discussion about transferring a different ISA.

The statements above confirm the branch manager is aware of the correct ISA process and actions. The statement also confirms the branch had no trainees at that time.

On the balance of probabilities, it's hard to imagine a manager would say something so clearly and obviously wrong as Mrs W suggests. I don't accept this wouldn't be questioned as Mrs W said she was so committed to making the transfer. I think it is inconceivable that Mrs W would just accept such advice at the time and then for the entire duration of the ISA which still had more than a year to run.

I think Mrs W would have questioned this further. After Mrs W took advice from Head Office, she still asked the same question when she was next in branch. I think this is what I would have expected to happen at the time if Mrs W found her path to making the transfer blocked. Or if she found the answers to her questions – strange. Especially after doing so much research.

I've seen no evidence to show Mrs W brought up the conflicting evidence when in discussion with either Head Office or the later branch staff to highlight and check Nationwide's records of her conversations about the ISA transfer. I've seen no evidence the transfer issues were ever brought up at any point for the rest of the ISA period.

The evidence doesn't suggest to me that Nationwide acted unfairly or unreasonably here.

My final decision

I don't uphold this complaint.

I make no award against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 8 January 2025.

John Quinlan
Ombudsman