

The complaint

Mrs W complains that Lloyds Bank PLC delayed the transfer of her late husband's ISA allowances to her as an Additional Permitted Subscription (APS).

What happened

Mrs W's husband passed away in January 2023 and she is the administrator of his estate. She explains that the APS transfer arrangement meant she was able to inherit his ISA allowances. She says she completed forms with Lloyds on 23 February 2024. But that she didn't receive the funds for one ISA until 10 April 2024 and the other on 17 July 2024. She says she contacted Lloyds many times and completed the forms more than once and that this caused her particular distress at a difficult personal time.

Lloyds said in its final response that it upheld her complaint and that the transfer *"should be a quick and easy process which in this case it hasn't been."* It adjusted interest on her account with a credit of £81.99 and paid her £300 in compensation. When it submitted its complaint file to this service it said that the interest credit should instead fairly be a total of £816.04 and it also offered to pay her a further £200 in compensation making a total of £500.

Our investigator recommended that Lloyds pay Mrs W total compensation for her distress and inconvenience of £650 – that is an extra £350 – and Lloyds agreed to this. He said that given that the APS transfer would apply in the case of a bereavement, insufficient attention had been given to the potential impact of the process. He noted that at one time Lloyds had been reporting Mrs W's ISA allowance incorrectly and asked that Lloyds correct this. In response it said that this was now showing correctly on its systems and our investigator had been in contact with Mrs W to explain the figures.

Mrs W said that she wanted an ombudsman to review the case. She didn't consider that the amount of compensation was enough to reflect the time she had spent and her stress and anxiety. She made a number of long calls and didn't feel that APS transfers were understood by members of staff at Lloyds.

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.

I'm sorry to hear about Mrs W's experience with the APS transfer at a time of personal loss. And Lloyds doesn't dispute that it made mistakes and that Mrs W has been caused needless distress and inconvenience.

The issue is whether the compensation now offered is sufficient, and I know that Mrs W hasn't specified an amount that she thinks appropriate. I've listened to a call she had with our investigator about this. And so, I know he's explained that this service doesn't make punitive awards and that we don't tend to make awards for time spent but consider the overall impact of what happened.

I've looked at the interest calculation. Lloyds has now backdated interest on the full amount of the transfer to 23 February 2024 – the date Mrs W first applied – and at the interest rate that would be received on the overall balance. So, I think that's fair, and note it's also confirmed that her overall ISA allowance is now showing correctly.

The amount of compensation for Mrs W's distress and inconvenience is one here for my judgement and I'm informed by our published guidelines. I've taken into account everything she's said including about needing to take time from work to contact Lloyds. And that members of staff she spoke to didn't seem to understand APS transfers. She's had to complete the forms more than once and not been given correct information. Mrs W said in her conversation with our investigator that she was made to feel that she was doing something wrong. Her poor experience was understandably aggravated by her personal circumstances with the need to keep going back to her late husband's paperwork. And by Lloyds acceptance that this ought to have been a simple process.

I consider she has been caused considerable distress and worry and had to put in a lot of extra effort to resolve things over several months. Having balanced all the factors I find that the amount of compensation for that of £650 recommended by our investigator is fair and reasonable in all the circumstances. I appreciate that Mrs W doesn't feel that this is enough and so will be disappointed with my assessment.

My final decision

My decision is that I uphold this complaint and require Lloyds Bank PLC to:

- Pay Mrs W total compensation of £650 which means a further payment of £350.
- Adjust interest on her ISA by a total of £816.04 credit as it says it has now done and as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 9 January 2025.

Michael Crewe
Ombudsman