

The complaint

Mr C complains that Charter Court Financial Services Limited trading as Charter Savings Bank made errors with a Cash ISA transfer request resulting in loss and inconvenience.

What happened

Mr C explains that he wanted to transfer his Cash ISA to another provider. But the transfer was delayed, and he had to keep contacting Charter Savings Bank about this. He says he intended to move his funds to a Stock and Shares ISA at the new provider and purchase shares in American companies. And that he lost out on price increases in those shares due to the delay.

Charter Savings Bank accepted that errors had been made and said that it apologised and was “*deeply embarrassed*.” It had received a transfer request on 7 August 2024 and processed this on 13 August 2024. But in error no transfer was sent to the new provider and Mr C called it on 23 August 2024 to ask where his money was. On 28 August 2024, the other provider said it hadn’t received the money. Charter Savings Bank then realised its mistake but didn’t communicate this to Mr C. It made arrangements to reopen his account and then transfer the funds on 16 September 2024. But in error it applied an interest penalty, and the funds were returned and then resent in full on 19 September 2024. It paid Mr C simple interest of £473.70 calculated at eight per cent per annum on the transferred funds of £58,412.22 for 37 days and compensation for distress and inconvenience of £350.

Our investigator didn’t recommend it do anything more. She said that there were numerous errors which caused delay and concern for Mr C. He couldn’t obtain an explanation of where his money was and made a number of calls about this. She said that the payment of simple interest was reasonable and noted that Mr C hadn’t provided evidence of his loss. She thought that the compensation for distress and inconvenience was fair.

Mr C didn’t agree and wanted his complaint to be reviewed. He said that he had explained his investment loss to Charter Savings Bank and as requested provided it with a list of shares he would have purchased. He couldn’t see that this had been taken into account.

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.

The position relating to the actual timescales of the transfer hasn’t been disputed and is summarised above. I note that government guidelines about Cash ISA transfers state that these should be completed within 15 business days of the new provider receiving the transfer instruction. And that has been far exceeded here and Charter Savings Bank intended that the money be sent much sooner than it was and has accepted that there was an avoidable 37-day delay.

I understand that Mr C considers that he’s lost out on investment opportunities as a result of the delay. And that when he contacted this service he indicated that this loss is in the order

of £8,000 to £10,000. He provided a list of the companies involved to Charter Savings Bank when he was discussing his complaint.

It's a matter for Charter Savings Bank to decide how to respond to Mr C's complaint. And here I can see that it has paid him eight per cent simple interest on his money for 37 days. Notably that's not based on the interest rate he would have earned from the new provider on his Cash ISA. But it's a figure that this service can use to reflect the impact of being deprived of the use of money and is in line with our guidelines. And Charter Savings Bank has acknowledged that despite it only being asked to complete a Cash ISA transfer that Mr C told it he would then be transferring the money into a Stocks and Shares ISA and would invest from there. So that's how it's recognised that aspect. I need to decide if that's fair here.

It's also reasonably up to Mr C to substantiate his complaint with evidence. And he's responded to our investigator's comments about that already and had a reasonable opportunity to provide anything he wants taken into account. Even if he had given us a detailed basis for his calculation of loss there are likely a number of unknowns here. It wasn't known exactly when the transfer would complete and when he would have access to the money even if within relevant guidelines about timescale. On his account he then needed to transfer this money and make investments. I don't see evidence he had contractual commitments to buy all these investments on a particular day or time. And markets and shares can move up or down and his claim is based on his intentions and the potential upside and now with the benefit of hindsight. And which would only it seems be realised when shares might be sold. For all these reasons that's why as I've referred to we can decide to use a simple interest rate of eight percent to reflect Mr C being deprived of his money. And here that's also appropriate in light of the limited weight of evidence available about any loss.

I've balanced all the factors in this case, and I consider that Charter Savings Bank has made a resolution to Mr C's complaint that is fair and reasonable taking into account my assessment above and our published guidelines about compensation and recognising the inconvenience caused to him. I know Mr C will be disappointed when I say that I won't be requiring Charter Savings Bank to do anything further. If Mr C doesn't accept my assessment he remains free to pursue this matter in court and subject to any relevant timescales.

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 Mr C to accept or reject my decision before 14 February 2025.

Michael Crewe

Ombudsman