

## The complaint

Mrs E complains that Shawbrook Bank Limited didn't act on her instruction to reinvest the funds from her matured Individual Savings Account (ISA) into a new two-year ISA that she took out. Instead, the funds were placed into a holding account with only 0.1% interest. Mrs E also complained about poor service from Shawbrook during her calls.

## What happened

Mrs E had a one-year ISA with Shawbrook. When her ISA matured in 2023, she wanted this to be transferred straight into a new ISA fixed for two years. However, Shawbrook said it received no instructions about this and so the funds weren't put into the ISA.

Mrs E said Shawbrook admitted that she gave the instruction to transfer the funds. The bank said she opened her new two-year ISA as a new customer in error and had customer numbers for both her ISAs. Mrs E pointed out that it was Shawbrook that issued her with the new customer number, which shouldn't have happened as she used the identical details.

Mrs E said Shawbrook merged her customer numbers but didn't act on her instruction to move the funds and it wouldn't honour the interest rate for the two-year period. She said she received rude and unprofessional customer service from Shawbrook on the phone. Mrs E complained to Shawbrook and requested it pay her the agreed ISA interest rate.

In its response Shawbrook said it contacted Mrs E to tell her the ISA was about to mature, and the process to follow, but funds weren't transferred to her new ISA as it had been opened as a new customer. It said this was Mrs E's error and meant her request to transfer funds from her matured ISA hadn't been actioned. Shawbrook apologised for the service Mrs E received on calls in February 2024 and paid her £100 compensation. Shawbrook referred to the successful opening of a one-year ISA bond issue 87 by Mrs E over the phone.

Mrs E didn't understand why Shawbrook referred to ISA bond issue 87 as it had never been part of her complaint. She said she has invested in ISAs successfully since 2015. Mrs E wasn't satisfied with Shawbrook's response and referred her complaint to our service.

Our investigator didn't recommend the complaint be upheld. He said Shawbrook sent Mrs E a maturity letter in January 2022 which she viewed online. This explained how to re-invest the funds into another ISA, but instead Mrs E opened a new ISA on Shawbrook's website.

The investigator said Mrs E typed '*Transfer from matured Shawbrook account*' into the application form, but that wasn't a formal instruction to transfer funds and so the ISA ran with a zero balance. He said without an instruction by maturity, the funds went to a holding account in accordance with Shawbrook's letter of January 2022. He said Shawbrook's customer service was unsatisfactory, but its compensation of £100 was reasonable.

Mrs E disagreed with the investigator and requested an ombudsman review her complaint. She didn't believe that she had typed '*Transfer from matured Shawbrook account*' into the application form without an account number, as this was a '*vague instruction*'. She said Shawbrook had prevented her access to the application form for her to check.

## 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 was sorry to learn that what should have been a straightforward transfer process between ISAs has turned into a costly and frustrating experience for Mrs E. My role is to determine whether what took place was fair and reasonable and whether Shawbrook and Mrs E followed the process correctly.

In assessing whether Shawbrook acted fairly, I've taken into account the relevant rules and guidelines along with good industry practice. There are general principles that say a bank should conduct its business with due skill, care and diligence and pay regard to the interests of its customers.

I can understand Mrs E's distress and confusion when she discovered the nil balance on her two-year ISA account, and then to be told that no funds had been transferred into it. I can see that Mrs E's funds from the original ISA were in a holding account at a low interest rate.

Shawbrook wrote to Mrs E before her ISA matured and set out the steps she needed to follow to transfer funds to a new ISA if she wanted one, and sent a reminder letter about this.

According to Shawbrook the problem stems from Mrs E not following the correct transfer process and instead opening another ISA online and receiving a second customer number from Shawbrook. This meant that the bank didn't act on her instruction to move her funds. Mrs E thinks that it was Shawbrook's error that she received two customer numbers and said she completed an application form with clear instructions to transfer over her matured funds.

Mrs E doesn't accept the copy of her application form sent by Shawbrook and our investigator was the original on which she said she had given much more information. She didn't believe that she had typed '*Transfer from matured Shawbrook account*' into the application form without an account number as this was a 'vague instruction' and '*certainly not in answer to 'source of funds' as in the summary*'. She said Shawbrook had prevented her access to the application form, and this was a summary.

I have reviewed the form, and it includes all relevant details to Mrs E, and I've seen Shawbrook's 'Applications', 'Status History' records which shows when Mrs E submitted her application on Shawbrook's website. It's clear that she did this outside of her customer portal which explains why Shawbrook treated her application as from a new customer and allocated a new customer number.

In the absence of any other information, I have no reason to doubt that the application form provided by Shawbrook is a copy of the original form Mrs E completed. Mrs E selected "*Transfer from matured Shawbrook account*" from a range of options pre-populated on the form in response to a request headed '*Source of deposit*'. As Mrs E herself acknowledges, this is at best a 'vague instruction' and lacks other account information. This box is intended to provide Shawbrook with information about where the money has come from for anti-money laundering purposes and so it isn't an instruction to transfer funds.

Shawbrook operates automated systems which means it relies on customers to follow the ISA maturity process, as set out in its letter to Mrs E of January 2022. The letter sets out that funds will not be invested if formal instructions are not made. Accordingly, as there is nothing to show that Mrs E followed the process, Shawbrook acted correctly to put her matured funds into a holding account.

I can see the difficulty a bank faces in handling instructions between accounts where there are two customer accounts. Shawbrook's records show that it messaged Mrs E in February 2022 to tell her she had acquired a second customer number, and this had been merged to her previous number. This was helpful in terms of Mrs E accessing her records and future applications, but it didn't tell her the transfer she requested hadn't been made.

Shawbrook said its automated processes do not support the manual review of each account to verify the receipt of deposits within the account funding windows. Shawbrook offers

savings products on a self-serve basis, as described on its website and maturity contacts. It says customers need to make an active choice about where their funds are placed at the end of the term of any maturing product and that wasn't provided by Mrs E.

Notwithstanding this, it would have been helpful to Mrs E if, when writing about the merging of her customer number, Shawbrook had sought clarification about her transfer instructions. I can't be certain that this would have made a difference and Shawbrook wasn't required to do this, but it might have helped avoid the problem.

I can see that Shawbrook let Mrs E down by not calling her back as promised in January 2024. I'm pleased that Shawbrook has apologised to Mrs E that its calls were below an acceptable standard, and I can see that it has referred to an account of Mrs E's that is not included in her complaint. I agree with the investigator that the compensation of £100 is about right for the poor service Shawbrook provided in this regard.

In conclusion, Shawbrook followed the correct path for Mrs E's funds in the absence of any formal instructions from her on maturity of her ISA, and it acted in accordance with its letter of January 2022.

I think Mrs E's instruction to '*Transfer from matured Shawbrook account*' was, as she describes, a '*vague instruction*' and wasn't accompanied with an account number for identification. It appears that Mrs E has successfully transferred funds between ISAs before by following Shawbrook's process and so I'm not sure when it went wrong this time, but I haven't found that on this occasion the failure of her wish to transfer funds was due to anything Shawbrook did.

I realise that Mrs E will be disappointed by this outcome though I hope she appreciates the reasons why it had to be this way.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 19 February 2025.

Andrew Fraser  
**Ombudsman**