

## The complaint

Miss O complains an individual savings account (ISA) transfer from a third party ISA provider (H) to Aldermore Bank Plc took longer than it should have, causing her financial loss.

## What happened

I sent the parties a provisional decision in November 2024, in which I set out the following background to the complaint and my provisional findings, as follows:

*The circumstances that led to this complaint are well known by both parties, so I won't repeat them in full detail, but will summarise below.*

*Miss O held a stocks and shares ISA with H. She decided to transfer it to a fixed rate ISA with Aldermore and completed the paperwork in early September 2023 to initiate the transfer.*

*Whilst completing these form, Miss O contacted H and asked for an address for the ISA form. H provided a London based headquarters address to her, which she wrote on the forms and submitted to Aldermore.*

*Aldermore explained it initially sent the transfer request to a different address in Southampton, explaining in its response to Miss O's complaint it held this address for H on its ISA transfer system and this address matched the address on the central Transfer ISA (TISA) database.*

*Aldermore explained it sent the forms to another address provided by Miss O in Fareham following her chasing both H and Aldermore about the transfer. It appears this address may also have been incorrect.*

*Aldermore said it did not know why H had not received the four transfer requests it had sent H but said it had not done anything wrong as it had followed its process.*

*More recently in July 2024, Aldermore has explained the address it initially used was from its 'internal database'. It also confirmed this address did not match the address for H on the online transfer ISA database, which did hold the correct address for ISA transfer requests for H. This address was different to both the Southampton, London and Fareham address.*

*The evidence shows Aldermore received the first letter, sent to the Southampton address, back by returned post on 12 October 2023. Miss O chased Aldermore again on 16 October and Aldermore contacted H. Following this, Aldermore sent through the forms correctly to H. H has confirmed it did not receive any transfer instructions until 18 October 2023.*

*Miss O explains the funds still did not transfer over for some time, eventually transferring over on 10 November 2023, outside of the 30 calendar day time limit for such ISA transfers.*

*Miss O explained she suffered a financial loss because of these delays as her stocks and shares ISA had significantly reduced in value during this period. She explained she knew she could have sold her holdings earlier and potentially lock in the higher value but had no*

*reason to think the process would be so protracted.*

*Aldermore said in its letter to Miss O in July 2024 it didn't uphold Miss O's complaint stating its ISA process had been 'followed correctly'. Aldermore offered £75 compensation in recognition of the poor service it had provided Miss O. It also offered to backdate the interest to 29 September 2023.*

*Our investigator thought Aldermore had not done anything wrong, explaining Miss O had provided the incorrect postal addresses for H to Aldermore and therefore didn't think it had caused the delays.*

*In response, Miss O didn't agree, explaining she believes there was a responsibility on Aldermore to have checked the address was correct before sending the form. Miss O therefore rejected our investigators recommendation, her complaint has therefore been passed to me to make a final decision.*

*Miss O has also complained about H which is subject to a separate decision. I limit my findings here to Aldermore.*

### **My provisional findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

*I appreciate how strongly Miss O feels about his complaint and was sorry to read about the frustration and difficulties she has faced with this complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.*

*Firstly, I am satisfied Aldermore has accepted it sent the forms to the incorrect address more than once in its response in July 2024. It admitted it had used an internal database rather than the TISA Online Database, which it confirmed showed the correct address for H. Aldermore said 'I can confirm had we used the correct address in the first instance they [H] would have received the correct letter.'*

*I consider this admission is, on balance, a critical reason for the delays Miss O sadly experienced. I have carefully considered this response, and my provisional thoughts are it suggests Aldermore accepts it did not process Miss O's ISA request correctly, despite is asserting otherwise.*

*I think it is reasonable and fair to expect any business sending sensitive paperwork to another to ensure the address is correct. Furthermore, in these particular circumstances, there are online databases specifically for this purpose which are available to ISA providers. ISA providers are responsible for keeping their own details up to date, so I think it is reasonable to suggest this procedure has clearly been set to avoid situations such as described above, from occurring.*

*The evidence provided by H is that the address first used by Aldermore, from its internal database, had been defunct for several years. Had it been more recently changed, I may have considered whether there was some mitigation or reasonable grounds for this error. As this appears not to be the case, I do not.*

*Regardless of Miss O's efforts, the evidence suggests Aldermore didn't realise this mistake or check the correct address, despite there clearly being a delay with the transfer and*

*appears to have sent the paperwork to an incorrect address several more times.*

*I am therefore provisionally persuaded this is what caused the initial delays and am therefore currently minded, to agree with what Aldermore said in its July letter, which is, had the ISA transfer forms been sent to the correct address, it would have processed in a much swifter time frame. This leads me on to what would have occurred had this error not happened and what remedies are available.*

*Provisionally, I have supposed if Aldermore had sent the forms correctly on 14 September 2023, I think it likely, having considered evidence from H, that H would have processed the sale of Miss O's holding within four days. This takes us to the latest sale date of 18 September. H has provided details of the value of Miss O's holdings throughout this period, the value on 18 September was £44,527.58. This is £1,255.18 higher than the rate the holding were eventually sold at, due to the delays, on 10 November for £43,272.40.*

*Arguably, Aldermore could be held accountable for this entire sum plus interest. However, H has already paid £703.87 for direct financial loss, the reasons for this have been dealt with in a separate decision, only the figures are relevant here. But for some context, this calculation was based on the holdings value in October, which was lower than the value in mid-September.*

*I must consider this payment when making an award purely for direct financial loss. As I have said, it is arguable the fault lay entirely with Aldermore, but I cannot ask Aldermore to pay more than the total direct financial loss here, if it puts Miss O in a better position than she would have already been in, so provisionally think an award of £521.31 plus 8% simple interest paid on the total £1,255.18 would cover the total direct loss of £1,255.18.*

*To be clear, I do appreciate Miss O explains she considers she will never be put back in the position she should have been in due to the lost wrapper on her ISA. For the reasons she has provided that all parties are aware of, I also accept there may be some prospective loss in this case.*

*It is often difficult to calculate what this prospective or future loss is, obviously Miss O can reinvest any award I make, so I think it is reasonable to factor this in. I also need to recognise prospective loss can potentially continue to occur for many years. Having said that, I consider it is important to draw a line under this and make a satisfactory award based on what I consider is fair and reasonable.*

*Having considered all of these aspects, I believe a figure of £200 is fair and reasonable. This is broadly based on the total loss over three years at 5%. I provisionally think it is fair to hold Aldermore accountable for the total prospective loss as I believe on balance it is responsible for the delay and loss as I have explained above.*

*Moving on to the compensation for poor customer service, I note Aldermore did not provide full information about why the delays occurred until the end of July 2024. I consider this caused unnecessary distress and inconvenience to Miss O from Autumn 2023. Both parties are aware of the correspondence and contact that went on throughout the transfer and during the subsequent complaint, so I will not rehearse the details here.*

*I also do not follow the logic in the letter from July 2024. Aldermore accept it sent the transfer requests to the incorrect addresses and had not used the online database to source the address as it had said previously, but also said it had followed its processes correctly so does not take responsibility for the delays. I do not think these positions are consistent with each other.*

*For these reasons, I do not think, on balance the compensation offered of £75 was in line with what I would expect. I also do not think Aldermore has accepted responsibility for the delay.*

*I also recognise Aldermore hasn't apologise for the errors and has only apologised for the service aspect, even though it accepted it had sent the form to the incorrect address.*

*For these reasons, I provisionally think Aldermore should increase its total compensation to £200. This is in line with what I would expect in the circumstances presented and within the general framework our services uses when assessing compensation amounts, details of which are available on our website.*

*I also think for the same reasons, Aldermore should back date interest to the 18 September, rather than the 29 September as previously proposed.*

*I would like to reassure both parties I have sought to be fair and reasonable when calculating what I consider to be accurate awards here but would remind both parties this is a provisional decision and I welcome submissions before making my final decision.*

*I provisionally uphold Miss O's complaint about Aldermore.*

*Finally, I appreciate Miss O has asked for significant detail and full clarification regarding many points throughout our investigation. I do understand Miss O's frustration and can see she has asked numerous detailed questions running into many pages. In determining this complaint, I have taken what I consider to be a proportionate approach.*

*For clarity, some of the questions posed are potentially commercial matters and decisions for the businesses in question, for obvious reason, businesses often do not make public these details. If Miss O remains concerned about a policy or process, she can raise these issues with the regulator the Financial Conduct Authority (FCA), if she wishes.*

*For other matters I have concentrated on what I consider to be the main aspects of the complaint and impact on Miss O. As I have said above, this is because our service is an informal dispute resolution service. I am sorry if Miss O wants finer detail on some of the issues she has highlighted, but I do not feel responding to all points raised and outstanding, over and above the fundamental basis for the complaint would be proportionate and would add little to the overall outcome of my decision. I do hope, having read my decision, Miss O appreciates this position.*

*For the reasons I have given, I provisionally uphold Miss O's complaint about Aldermore Banks Plc and am currently minded to require Aldermore Bank Plc to pay;*

- £200 compensation for the poor service and distress and inconvenience this caused Miss O, minus any payment already paid.*
- £521.31 plus 8% simple interest on the total sum of £1,255.18 sum calculated from 18 September 2023 until the date it settles for the financial loss Miss O suffered due to the failure to process her ISA transfer correctly.*
- Prospective financial loss payment of £200, I estimate this as reasonable and fair to covers the loss of interest for the three-year period of the £1,255.18*
- Backdate interest to 18 September 2023, not 29 September as currently offered.*
- Apologise to Miss O for the mistake in sending the forms to the incorrect address and misleading her in its initial response.*

## **My provisional findings and the parties' responses**

Both parties responded to my provisional decision, Aldermore rejected it.

Aldermore explained it didn't think it had contributed to the delay. Aldermore accepted the initial address it used was no longer in use, there was nothing in the ISA database which confirmed this.

Aldermore also said it had now reviewed the transfer ISA (TISA) database which showed the PO Box 716 Fareham address is not listed on it, this is the address Aldermore used after contacting H on 16 October. Aldermore pointed out this was different to the address provided by Miss O on 25 September.

Aldermore said as it does not appear the correct address was listed on the TISA it is not responsible for the delays. For these reasons it did not think the faulty lay 'solely' with it.

I have considered carefully the submissions Aldermore has made. The point made regarding the address currently on TISA is helpful and demonstrates Aldermore is able to access and check addresses going forward.

However, the points it has made does not negate Aldermore used a defunct address from its own database, then used an incorrect address provided by Miss O. I have reconsidered the evidence with Aldermore's comments in mind, having done so, I am still satisfied this is most likely where the delay occurred. This caused Miss O to lose out financially and therefore I remain of the view Aldermore are responsible for this loss.

I would also point out, H has paid more of the financial loss than Aldermore. So whilst I am satisfied the loss was, on balance, Aldermore's; practically, Aldermore is not being held 'solely' responsible for the financial loss here, as I have explained above.

Miss O did not reject my decision, but as there are three parties involved with this complaint, wanted to be certain of the responses before committing. She also provided a series of observations and further questions which I have summarised:

1. Why did I use 5% rather than 5.51% to calculate loss.
2. What was the provisional £200 compensation for, was it transfer delays or data protection issues recently raised.
3. Miss O has explained she believes compensation should be in excess of £350 in total including the subject access request issues she has submitted to our service.
4. She wanted to know whether £27.68 charge incurred for her stocks and shares ISA due to the delay in transfer, would be paid by Aldermore

Regarding the points in order. With reference to point one, as per my provisional decision, I explained the difficulties in awarding future financial loss, I used the term 'broadly' for this specific reason when I mentioned 5%. I also explain Miss O has the opportunity to reinvest these funds, which even in a low interest savings account would mean she would arguably match or exceed the funds gained in the fixed rate ISA at 5.51%.

I have reconsidered the award I have made here, having done so, for the reasons I gave in my provisional decision, I believe this is a fair and reasonable award considering all of the circumstances as far as I reasonably can.

With regards to point two and three, the £200 compensation is for the distress and inconvenience I have highlighted. Our service can only consider awards where the business has had an opportunity to respond to the complaint. It may be that as Miss O recently had a response regarding data handling she wishes to raise a further complaint with Aldermore regarding these specific issues.

With regards to point four, I am satisfied this is covered in the £400 compensation I have awarded over and above the underpinning financial loss. Again, I have reconsidered this and think the figures involved are fair and reasonable to all parties. I am also minded there has been compensation paid by H for distress and inconvenience.

Therefore, having carefully considered both submissions, I am satisfied my provisional considerations were fair and reasonable here.

### **My final decision**

For the reasons I have given, I uphold Miss O's complaint about Aldermore Bank Plc and require Aldermore Bank Plc to pay Miss O;

- £200 compensation for the poor service and distress and inconvenience this caused Miss O, minus any payment already paid.
- £521.31 plus 8% simple interest on the total sum of £1,255.18 sum calculated from 18 September 2023 until the date it settles for the financial loss Miss O suffered due to the failure to process her ISA transfer correctly.
- Prospective financial loss payment of £200, I estimate this as reasonable and fair to covers the loss of interest for the three-year period of the £1,255.18
- Backdated interest to 18 September 2023, not 29 September as currently offered.
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Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 16 January 2025.

Gareth Jones  
**Ombudsman**