

The complaint

Miss A complains as representative of Mr M, that Skipton Building Society (Skipton) failed to place funds into an ISA.

What happened

Miss A says she holds a power of attorney (POA) for Mr M, and she telephoned Skipton on 5 April 2024 to place £20,000 into his Individual Savings Account (ISA). Miss A says she subsequently discovered that the funds were placed onto an instant access savings account for Mr M and not an ISA, and Skipton haven't carried out her instructions. Miss A says as a result Mr M has lost the opportunity to take advantage of the tax benefit on his savings for that tax year. Miss A wants Skipton to pay £300 by way of compensation.

Skipton says when Miss A telephoned in April 2024 there was no power of attorney registered with them, so it was unable to provide her with any details of Mr M's account. Skipton says during the call Miss A read the account details from Mr M's statement and while not acknowledging the account details were Mr M's, it did confirm the details were an example of an account with the society.

Skipton says the account Miss A quoted was an easy access savings account that Mr M held and not an ISA as Miss A had thought, and this would have been clear from the bank account statement. Skipton agreed it could have explained the POA process more clearly to Miss A when she called, so it offered £75 for the inconvenience that caused. Mr M wasn't happy with Skipton's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt Skipton hadn't advised Miss A that the account details for Mr M she quoted to them in the telephone call on 5 April 2024 was an ISA, as it was unable to discuss the account details with Miss A given a POA hadn't been registered with them at the time. As a result, the investigator felt Skipton weren't at fault and he wouldn't be asking anymore of Skipton.

Mr M didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Miss A, following a telephone conversation with a Skipton agent, to have believed she had sent funds into an ISA for Mr M, only to learn this was in fact an easy access savings account. Miss A feels Skipton didn't carry out her instructions properly and as result Mr M, for whom she holds a POA, lost out financially.

While I understand the points Miss A makes, I'm not fully persuaded by her argument. I say this because I have listened to the phone call Miss A made to Skipton late in the afternoon of 5 April 2024, and the agent didn't tell Miss A the account details she was referring to was an ISA. In fact, the agent was limited in what she could say to Miss A as the POA she held hadn't been registered with Skipton at that time, so the agent wouldn't have been able to disclose confidential information surrounding Mr M's account.

What I can say is during that phone call, Miss A quoted the start of a nine-digit number and the agent simply indicated that would be Mr M's account number and it needed to be quoted as a reference in the payment being sent, and then provided the generic details of Skipton's sort code and account number. From the bank details that have been provided to me, the account Miss A was referring to when she called Skipton was for an easy access savings account and not an ISA, so it's not clear why Miss A believed it was. So, while I have some sympathy here with Miss A as she no doubt believed Mr M's account with Skipton was an ISA, the fact is it wasn't.

Skipton have accepted it could have explained more clearly to Miss A the process regarding the registering of the POA and gone through security more thoroughly with Mr M and it has apologised for that and offered £75 for the trouble this caused. That said, I'm satisfied even if it had done all of that, in all likelihood there wouldn't have been time to complete all the necessary documentation and have it registered with them in time for the current tax year, given this was only an hour before Skipton closed for business on 5 April 2024.

I understand Miss A has now registered the POA with Skipton and it has sent the forms out to Mr M to complete, and on receipt it will then be able to transfer the moneys in the easy access savings account to a new ISA. It has also left open its offer to pay £75 for the trouble the matter has caused, on balance I am satisfied that is reasonable and I will leave it with Miss A and/or Mr M to contact Skipton if they wish to accept that offer. While Miss A and Mr M will be disappointed with my decision I won't be asking anymore of Skipton here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 March 2025.

Barry White
Ombudsman