

## **The complaint**

Mr S complains that Coventry Building Society transferred all the funds from his ISA to an ISA with one provider when he had requested a split transfer to two providers.

## **What happened**

Mr S held funds in an ISA with Coventry. In September 2024, he made requests for ISA transfers to two other providers, N and S. His requests were that a certain amount of the funds be transferred to a new ISA with N and that the balance of the funds be transferred to one with S. He received letters from Coventry confirming that it would carry out the transfer after the ISA matured in early October.

When the transfers were due to be made, the first request came from S, and as it didn't specify an amount, the whole of the funds in the Coventry ISA were transferred to S. So this meant that very shortly after that the transfer request from N was processed and it had to be rejected as there were no funds left to be transferred.

Mr S complained to Coventry. It explained that the transfer process was automatic with no human intervention, so as the request from S came through first, it was processed first. Coventry agreed to recall the required amount of the funds from S and transfer them to N. It also offered to pay any loss of interest. After considering the matter Mr S opted to leave his funds with S as the fixed rate offer from N, which was at a lower rate of interest, was no longer available.

In response, Coventry sent a cheque for compensation of £150 as it accepted that there had been some reduced level of service. I understand that Mr S has not yet paid that in. It assured Mr S that if the requested funds had been transferred back they would not have lost their tax free status. As Mr S had not in fact made any financial loss it didn't offer any further payment.

On referral to the Financial Ombudsman Service, our Investigator said that Coventry had made a reasonable offer of compensation and they wouldn't be asking it to do any more.

Mr S did not accept this, pointing out that he had decided to split his funds because of the limit in the compensation payable under the financial services compensation scheme, if a business failed.

The matter has been passed to me for an Ombudsman's consideration.

## **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.

### *customer service*

I have first of all considered the service Mr S received. He made a long phone call to Coventry shortly after discovering the transfer hadn't taken place as expected. The initial

adviser had to put him on hold while they took advice, but on the whole I couldn't hear anything wrong with the way they handled the call. They explained that the matter would have to be looked at by more senior people. The call was transferred blind to a complaints adviser and I appreciate that Mr S found that irritating. I think that adviser dealt with Mr S appropriately and I note they spoke to him on two further occasions, in an attempt to resolve his complaint.

### *the transfer*

I know the transfer Mr S asked for didn't turn out the way he expected, through no fault of his. From my experience most providers use the automated ISA system. It's unfortunate in Mr S's case that the transfer request proceeded in the way that it did. Had N's request been processed first, Mr S would have got the right result. But as the process is automated it's difficult to see at what stage Mr S could have been warned what might happen. And, just to reiterate what our Investigator told Mr S, we can't tell Coventry to amend its processes, especially as transfer requests are made by other providers.

I think Coventry took the right steps in its offer to recall the necessary part of the funds from S. It explained that the funds would remain within the ISA wrapper and despite Mr S's doubts about that I think it's right to accept that Coventry would have recalled funds in the past and would have known the correct process. It tried to do this by telephone but S wouldn't deal with it that way so it had to send an email, again using the process set up to deal with transfer of ISAs between providers.

I understand why Mr S decided not to go ahead. And whilst he is concerned about having all of his funds with one provider that's a decision for him.

Considering Coventry's offer of compensation, I note that Mr S made no financial loss as S's rate of interest was higher than N's. However I should clarify that we would award compensation based on actual losses rather than on what might have happened. So I can't consider hypothetical situations like a higher rate of interest being lost, or applying to split the funds between four providers (as Mr S pointed out could have happened). I appreciate that in this case Mr S was put to some inconvenience and Coventry accepted that he had suffered reduced levels of service. It has sent him a cheque for £150 compensation and I think in all the circumstances that that is an appropriate amount to pay. If Mr S wishes to accept Coventry's offer, he's free to pay in the cheque.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 March 2025.

Ray Lawley  
**Ombudsman**