

The complaint

Mrs P complains, with her daughter Miss P, about Nationwide Building Society taking three attempts to transfer a child trust fund to another bank at their request, causing a three-month delay. I have just referred to Mrs P in this decision.

What happened

Mrs P has a child trust fund of £350 for her daughter Miss P with Nationwide and wanted to transfer this to another provider on 20 August 2024. She opened an account with a new provider, but the transfer was taking a long time, so she asked the new provider for evidence of its actions and provided dates of three transfer requests that had been sent to Nationwide.

On 23 September Mrs P went to a Nationwide branch with the transfer requests but said the money still hadn't moved three weeks later. Mrs P said Nationwide confirmed receipt of a chase up letter from the new provider on 16 September to which it said it hadn't received the correct paperwork to enable the transfer. Nationwide received the documentation on 15 October and processed the request the next day, within its set timescale.

Mrs P complained to Nationwide on 16 October 2024 as she thought the money had still not been transferred. Nationwide apologised to Mrs P for the time taken to locate the correct paperwork for the transfer, and her stress and inconvenience and paid her £100. However, Nationwide said it hadn't done anything wrong when it processed the transfer of the account.

Mrs P didn't think £100 justified her time in visiting the branch and making many calls. She wanted Nationwide to acknowledge it had lost the transfer documents and compensate her to at least £300. As Nationwide did not agree Mrs P referred her complaint to our service.

Our investigator didn't recommend the complaint be upheld. She said we have information from the new provider but have only considered Nationwide's actions. She said the transfer request was posted by the new provider on 26 August 2024, but Nationwide has no record of it, and when letters aren't received, we don't hold the business responsible. She said it's the responsibility of the new provider to complete a transfer request and to chase this up.

The investigator said Mrs P followed this up with Nationwide, and the new provider sent two chaser requests on 9 and 16 September 2024. When Nationwide received the second letter, a transfer form was not included, and it requested the new provider email it over. The new provider re-sent the request on 9 October, which Nationwide received on 15 October and processed on 16 October 2024, within the five-day timescale of its terms and conditions.

Mrs P disagreed with the investigator and requested an ombudsman review her complaint. She didn't think £100 reflected her distress and inconvenience and said Nationwide failed in its responsibilities under the Consumer Duty as it hadn't acted in good faith or been clear in its communications. She said there were three occasions prior to the transfer being actioned in October where the new provider sent the request to Nationwide; 26 August, 4 September and 16 September 2024 and asked if all this correspondence could have got lost in the post.

Mrs P said a process that started in August and completed at the end of October 2024 is not acceptable. She had chased both parties with calls and branch visits which should not be her role, and this added stress to her health issues.

The investigator said she'd taken account of Nationwide's obligations and its acknowledged failings in how it handled the transfer. She said the compensation is in respect of the delay in responding to the chaser Nationwide received dated 16 September 2024 as correspondence before this wasn't received by Nationwide and it wasn't responsible for this.

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.

Mrs P said she raised her complaint due to the length of time Nationwide took to complete the transfer and its unhelpful communication. She said that Nationwide has failed its obligations under the Financial Conduct Authority's Consumer Duty.

Mrs P set out Nationwide's failings as its handling of the customer relationship and its communications, which she describes as shambolic, and avoiding foreseeable harm and helping consumers achieve their financial objectives. She said she now considered a minimum of £500 to be adequate compensation.

I was sorry to learn that what should have been a straightforward transfer of funds has turned into a prolonged and drawn-out experience for Mrs P. My role is to determine whether Nationwide followed the process correctly, and whether what took place and Nationwide's attempted resolution of Mrs P's complaint, was fair and reasonable.

In assessing whether Nationwide acted fairly, I've taken into account the relevant rules and guidelines, including the Consumer Duty 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 have looked carefully at Nationwide's records to see where the transfer was held up and I've seen the information from the new provider. The new provider received Mrs P's instructions, sent its request, and then sent written reminders to Nationwide when the transfer wasn't processed.

The new provider said its original request was sent by post on 26 August 2024 and followed by letters of 9 and 16 September 2024. Nationwide's records show the new provider's 'chase up letter' of 16 September 2024 was the first communication it received. Nationwide responded on 25 September to say it hadn't previously received a transfer request and asked the new provider to send this form via email so it could be completed. The new provider responded by post with the transfer form dated 9 October 2024.

Nationwide confirmed it received the transfer form on 15 October, and I can see from its closing statement that the transfer was processed on 16 October 2024. This shows that once Nationwide received the transfer form, it completed the transfer swiftly.

I have looked at Nationwide's terms and conditions which state that it requires written authorisation from the new provider before processing a transfer and will then complete a transfer within 30 days. Overall, the process took two months and Mrs P is correct to say that it shouldn't be down to her to pursue the banks involved in the transfer of her fund. With transfers of this kind, the onus is on the new provider to ensure the transfer is completed.

The investigator is correct that we don't blame businesses for not responding to communications that they have not received, and so until Nationwide received the transfer request there's nothing it could have done. And when the new provider chased Nationwide, it didn't provide a copy of the transfer form.

I'm pleased that the transfer was progressed very quickly once Nationwide became aware and received the correct transfer forms, but I have in mind the delay that it caused before this. I'm pleased Nationwide apologised for not responding more quickly when it could have, as I think it should have resolved the transfer much sooner.

When we make awards of compensation we are not looking to fine or punish a business but to find an award that fairly and reasonably compensates the consumer for the wrong that has been done.

Mrs P was in a position of not knowing if her transfer had not been completed and the reasons for this for a few weeks and so she went to the Nationwide branch with the letters sent by the new provider. Mrs P spent time chasing paperwork, on calls and visiting the branch. I am also sorry to learn that this problem has upset Mrs P.

Mrs P has been caused frustration and inconvenience and I think this was due to a lack of ownership of the issue within Nationwide. But I disagree with Mrs P that there was no process or accountability in place for Nationwide.

As Mrs P's fund was about £350, the impact in terms of the distress and inconvenience and compensation she is seeking exceeds the value of the fund and that seems disproportionate and unfair to me. I agree with the investigator that compensation of £100 falls within our guideline for the single issue of the transfer not being completed and having to go back and forth into the branch as a result. Our guidance describes this compensation as fair in respect of, 'repeated small errors or a larger single mistake, requiring a reasonable effort to sort out'.

Our service investigates the merits of complaints on an individual basis. And that is what I've done here. I think it's important to explain that my decision is final. I realise that Mrs P 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 P and Miss P to accept or reject my decision before 24 March 2025.

Andrew Fraser
Ombudsman