

## **The complaint**

Miss L complains that Saveable Limited trading as Plum Money (“Plum Money”) wouldn’t allow her to make another transfer to her ISA for the 2023/2024 tax year when it was discovered the funding of her ISA wasn’t done correctly.

## **What happened**

Miss L opened an ISA with Plum Money on 4 April 2024 linking her account with a third-party bank account not held in her name and depositing £20,000 into it.

Miss L received an email on 1 May asking for identification and bank statements confirming the linked account holders name as well as confirmation of the source of deposited funds. Miss L supplied this and confirmed the funds were a gift from her parents. On 8 May Plum Money then requested a bank statement detailing the transfer of the gift from Miss L’s parents account to hers emphasising that the statement must display the account holders full name and account number.

Plum Money discovered the funds hadn’t come from Miss L’s individual account and informed Miss L that it could not accept cash ISA deposits from a bank account not in her name and returned the funds to the linked account on 22 May resulting in Miss L not being able to benefit from her ISA allowance for the 2023/2024 tax year.

Miss L complained to Plum Money about this as she says Plum could’ve allowed another transfer or for her to refund the account but chose not to.

Plum Money didn’t uphold the above complaint points, it said under its terms and conditions and HMRC rules users are not allowed to link with Plum Money accounts they are not beneficiaries of and that it is obligated to adhere to these practices to maintain the integrity and security of its operations and to ensure it fulfils its regulatory obligations.

Miss L was dissatisfied with all this. Miss L wants Plum Money to re-open the ISA for the 2023/2024 tax year or compensation for the loss of benefit for the 50 years she says she intended to fund it to the maximum ISA allowance each year and so brought her complaint to this service.

One of our investigators looked into all Miss L’s concerns but didn’t agree Plum Money had made an error or treated Miss L unfairly as the terms and conditions which Miss L agreed to when opening the ISA clearly states that deposits can only be made from an account held in the same name of which the ISA belongs to and this is also confirmed under the FAQ/Help Centre on Plum’s website and as such Plum Money hadn’t made an error or did anything wrong.

Furthermore, as Miss L opened the ISA one day before the end of the tax year, they didn’t agree there was enough time for her to have refunded the account from an account held in her name or to invest with an alternative ISA provider and so didn’t think Plum Money should compensate her for the lost benefit.

Miss L disagreed, she says there was enough time to make a transfer and refund her account before the end of the tax year and so her complaint should've been upheld. Miss L wants to be compensated for the loss of the benefits that an ISA gives and has asked for an ombudsman's decision on the matter.

### **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.

It might help if I explain here my role is to look at the problems Miss L has experienced and see if Plum Money has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Miss L back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Miss L complains that Plum Money won't allow her to refund an ISA from an account held in her name for the 2023/2024 tax year.

After considering everything I'm in agreement with our investigator and I don't think there is anything much more of use that I can add. Plum Money's terms and conditions provide eligibility criteria under 4.3.1 which says to use its products and services you must maintain an individual bank account that is personal to you and not used for business or commercial purposes and further down in clause 4.4 confirm that the Personal Account is in your name and not in the name of any other person or a legal entity.

And in Miss L's case the account linked to the ISA with Plum Money wasn't her personal account. So in line with its terms and conditions it rejected the ISA application and returned the funds received to the account Miss L had linked with it.

This is also confirmed on Plum Money's FAQ/Help Centre website in a number of articles in particular in the Opening a Cash ISA Account article where it advises:

"In order to create a Cash ISA, you need to open a Plum account and link your bank. Please note that we don't support joint accounts, only personal current accounts under your own name."

So I can't say that Plum Money made an error or were in the wrong when in carrying out its due diligence it discovered Miss L's linked account wasn't held in her name and so rejected her application and returned the funds at which point it was too late for Miss L to refund the ISA or open an ISA with another provider and utilise her ISA allowance for the 2023/2024 tax year.

I appreciate that Miss L may not have understood the requirements and rules for opening and funding her ISA and utilising her allowance, but I don't think it would be fair to penalise Plum Money when it hasn't made an error or done anything wrong. It was Miss L's error here for not making herself aware of the terms and conditions and ISA regulations and leaving it so late to make the investment.

Miss L believes that she would've still had time to refund her ISA for the 2023/2024 tax year had she been made aware of the requirements sooner. But it's not possible to say for sure what might or might not have happened had Plum Money or Miss L realised earlier the mistake she'd made. And given that Miss L opened the ISA and funded it the evening before the end of the tax year I think it is unlikely she would've been able to make those changes. Indeed, Plum Money advised Miss L in the webchat that cash ISA transactions are not

instant and that the deposit process takes one business day to be completed once money has reached Plum.

And nor do I think it would be reasonable or fair to expect Plum Money to conduct all its verification checks within 24 hours of an application.

So it follows I don't think Plum Money has treated Miss L unfairly or done anything wrong and so I don't uphold this complaint.

### **My final decision**

For the reasons I've explained I've decided not to uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 27 March 2025.

Caroline Davies  
**Ombudsman**