

The complaint

Mrs K has complained that Bank of Scotland plc trading as Halifax (“Halifax”) delayed the transfer of an ISA to another provider for around four months.

What happened

Mrs K arranged to partially transfer her Halifax ISA to a new ISA manager on 24 October 2023. However, the partial ISA transfer didn’t take place until 3 April 2024.

Unhappy with how long matters took to complete, Mrs K complained to Halifax. Halifax issued its final response to the complaint on 15 April 2024 and partially upheld the complaint.

In its response, Halifax explained that when it received the ISA transfer forms from the new ISA manager, it responded to say that the signature on the forms didn’t match. Halifax said it received two further transfer forms. But one was rejected as the signatures still didn’t match and the third because the documents had been signed more than 90 days before the forms had been received.

However, Halifax did acknowledge that Mrs K had been given incorrect information about why the transfers had been rejected and so paid Mrs K £50 compensation for that error.

Unhappy with Halifax’s response, Mrs K referred her complaint to this service.

After she did that, Halifax said that it was willing to pay a further £100 to Mrs K and confirmed that when it said that signatures didn’t match, this was because it didn’t have a copy of Mrs K’s signature on file. Once Mrs K’s signature was updated on Halifax’s system, it was then able to comply with the ISA transfer request.

One of our investigators assessed the complaint and they upheld the complaint. They said that had things gone as they should’ve, Mrs K’s ISA should’ve transferred by 4 January 2024. So, the investigator said that Halifax should work with the new ISA manager to compare how many units Mrs K was able to purchase, with how many she was likely to have bought had the proceeds of the ISA transfer completed by 4 January 2024. And if Mrs K would’ve been able to have purchased more units than she ultimately did, the investigator said that Halifax should work with the new ISA manager to credit those extra funds within Mrs K’s new ISA. The investigator also thought that the additional £100 offered by Halifax was reasonable compensation for the distress and inconvenience caused to Mrs K.

Mrs K accepted the investigator’s assessment, but Halifax didn’t respond. So the complaint was referred for an ombudsman’s decision on the matter.

I issued a provisional decision on 3 April 2025, explaining why I thought that the offer made by Halifax to resolve this complaint was fair. I have included an extract of my provisional decision below and it forms a part of this decision.

“What I’ve provisionally 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 considered everything, I’m minded to only partially uphold this complaint. I will explain why that is below.

Firstly, I think it may help to explain that this complaint only concerns Halifax’s involvement in the transfer. And in terms of Mrs K’s request to partially transfer her ISA, Halifax was the existing ISA manager. However, it is important to note that the new ISA manager is responsible for ensuring an ISA transfer is completed successfully. It is also the new ISA Manager’s responsibility to inform the consumer of any issues that may be preventing the transfer from successfully completing and explaining any actions that may need to be taken.

So I can’t hold Halifax responsible for anything that the new ISA Manager may’ve potentially got wrong or not dealt with in a reasonable way. However, as the existing ISA manager, Halifax was still required to comply with the new ISA manager’s requests and respond to any transfer forms it sent it in a reasonable and timely fashion.

Having reviewed everything that has been provided on this complaint, it’s clear that the reason why the ISA transfer didn’t go through as quickly as Mrs K would’ve liked, is because Halifax didn’t have a signature stored on its records for Mrs K. Because of this, I think it was reasonable that Halifax didn’t comply with the ISA transfer request, until it could be sure (by having a valid signature for Mrs K stored in its records) that the person asking for the money to be transferred was Mrs K.

Halifax has provided evidence from its records to show that it first received the ISA transfer form from the new ISA provider on 23 October 2024. And the evidence indicates that Halifax wrote to the new ISA manager on 24 October 2024 to explain that it had rejected the transfer request as it had no signature recorded on file for Mrs K. Usually, when an ISA transfer request is rejected by the existing manager, it is then up to the new manager to update the consumer and explain what the situation is. However, whilst I don’t know what was said or sent between Mrs K and the new ISA manager, the fact that Mrs K was still none the wiser about the signature issue until quite some time later, would suggest that she’d not been made aware of it by the new ISA manager.

Nevertheless, I can see that the new ISA manager sent another transfer form to Halifax. That was received by Halifax on 8 January 2024. However, due to the missing signature, Halifax wrote to the new ISA manager on 9 January 2024 to again say that the ISA transfer request had been rejected due to signatures not matching.

Following this rejection, I understand that Mrs K called Halifax on 24 January 2024 and 6 February 2024. In both of those calls, I understand that Mrs K was told that the signatures didn’t match. In my view, this was not the best way to describe matters. It was the case that Halifax didn’t have a signature stored on its system at all, rather than the signatures it had stored being different to the one on the form. But in both

calls, Mrs K says she was told by Halifax that she'd need to attend branch to provide a signature. So, despite Halifax staff not describing the situation as clearly as they could've done, Halifax still gave Mrs K the correct instructions on what she needed to do to resolve the matter of her ISA transfer being rejected. And I can see that Mrs K then provided a signature to Halifax on 10 February 2024.

Halifax then received another ISA transfer form from the new ISA manager. Unfortunately, this time, as the form it received had been signed by Mrs K over 90 days beforehand, Halifax was unable to process the transfer request and informed the new ISA manager of this on 1 March 2024.

Halifax eventually received an up-to-date signed ISA transfer form on 2 April 2024, and as it had a valid signature recorded on its systems for Mrs K that matched the one on the form, it arranged for the transfer to proceed. The funds were transferred to the new ISA manager on 3 April 2024.

So, looking at how Halifax handled matters, overall I think it acted correctly and responded to the new ISA manager, as it was required to do, in a timely manner. Overall, I'm satisfied that Halifax had informed the new ISA manager why the ISA transfer requests were being rejected.

I understand that Mrs K's husband called on 29 December 2024, and it was explained to him that Mrs K's signature was missing. Again, it seems like Halifax failed to explain the situation as clearly as it could've done, as this led Mrs K to think that the transfer form was missing a signature, rather than it being the case that Halifax was missing a signature for Mrs K in its records. So I don't think Halifax handled matters as well as it could've. But overall, I'm satisfied that Halifax had correctly informed the new ISA manager that it didn't have a signature for Mrs K when it first rejected the ISA transfer request in October 2023. And so it would've been the new ISA manager's responsibility, rather than Halifax's, to explain to Mrs K why the ISA transfer had failed and explain what she needed to do to rectify matters. If it is the case that the new ISA manager didn't do this, that is not something I can reasonably hold Halifax responsible for.

So in the circumstances, I don't think it'd be fair to say that Halifax should be held responsible, if Mrs K lost out on investing the proceeds of her ISA transfer at lower unit prices, because of how long the transfer took to go through. And although I think that Halifax had explained to the new ISA manager in a timely manner what the issue was, I don't think that Halifax helped matters by leading Mrs K to think that the form was missing a signature or that the signatures on the form didn't match with the signature it had on file for her.

Therefore, I do think that the extra £100 that Halifax has offered to pay Mrs K, which would bring the total amount of compensation paid to Mrs K to £150, is fair in the circumstances.

My provisional decision

Because of the reasons given above, I'm currently minded to only partly uphold this complaint, and intend to say that Bank of Scotland plc trading as Halifax should pay Mrs K a further £100, to resolve this complaint."

After I issued my provisional decision, Mrs K didn't respond, but Halifax did. It said it had nothing further to add.

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 reconsidered everything, and given that no new information has been provided by either party, I see no reason to reach a different outcome from the one I reached in my provisional decision.

So, in summary, I'm satisfied that Halifax had reasonable grounds to refuse the ISA transfer request. And it seems that Halifax did respond to the new ISA manager's transfer requests in a timely and reasonable manner and explained why it was unable to process the partial ISA transfer request. So, Halifax did what it was required to do, as the existing ISA manager, when it was unable to process the ISA transfer request.

However, when Mrs K and her husband spoke to Halifax about this matter, I do think that Halifax could've explained what the problem was more clearly. And so, I do think that the increased amount of compensation that Halifax offered is fair, given the added inconvenience and confusion caused about what exactly was happening with the ISA transfer. However, when considering if more compensation (than Halifax has offered) is warranted, although Halifax may not have been as clear as it could've been to explain what the problem was, it did still give the correct instructions to Mrs K i.e. to attend branch to update her signature, to rectify the problem. So, when weighing everything up, I think that the increased amount of compensation offered by Halifax is fair in the circumstances.

Putting things right

To put things right, I require Halifax to pay Mrs K £100 for the distress and inconvenience caused to her by Halifax's actions. This will then bring the total amount of compensation paid to Mrs K for this matter to £150.

My final decision

Because of the reasons given above, and in my provisional decision, I uphold this complaint and require Bank of Scotland plc trading as Halifax to do what I have outlined above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 20 May 2025.

Thomas White
Ombudsman