

The complaint

Mr V is unhappy with Aldermore Bank Plc. Mr V was looking to transfer an ISA to Aldermore from another bank "H". But there were delays and difficulties getting the account set up and Mr V had money returned to him as Aldermore wouldn't accept his further deposits for the new tax year. It said he was already at his subscription limit for the year.

What happened

Mr V was transferring a couple of ISA's from different providers to Aldermore. One from another bank went through without any problems, but the one from H wouldn't go through smoothly.

Aldermore said the records showed £20,000 had been invested into the ISA on 6 April 2024 before it was transferred to it. It continued on 10 April 2024 it received £20,824.82 from H. However, it said there was a mismatch of information.

Aldermore said H had advised it the ISA subscription being transferred was for the current tax year rather than the previous tax year. Aldermore said, *"our systems automatically noted you to be fully subscribed for the 2024 - 2025 tax year when funds were received on 10 April."* Aldermore said this was why further attempts to deposit from Mr V were declined, it would (as far as Aldermore were concerned) take Mr V over his allowance for the existing new tax year.

Mr V didn't agree and explained why. He confirmed that his subscription for the current tax year hadn't been used at all. Mr V pointed out he had made the request for transfer in March, so he had no intention of investing further in the previous ISA. He questioned why anyone would request a transfer if they had already used up their subscription. Aldermore confirmed it would review any evidence Mr V could send in. He did send in proof, Aldermore corrected the details and put the money into his new ISA a few days later. Mr V pointed out that he had lost some interest due to this.

Aldermore said the information from a different ISA transfer provider was all correct. It said the other ISA details showed there were no current year subscriptions. So, regarding that other ISA it was able to show all funds as allocated from previous tax years. After discussion with Mr V Aldermore said it would review the issues with this ISA transfer from H further and asked for proof Mr V hadn't used the 2024-25 allowances up already. Mr V produced supporting documentation on 18 April 2024 and Aldermore made the required amendments shortly after that. It confirmed Mr V could now invest a further £16,382.47 into his ISA in the remaining part of the tax year.

Aldermore said it notified Mr V about the subscription being filled for the year, returned his funds within a day, then discussed it with him and once evidence had been provided it corrected its records so he could deposit the funds. Aldermore didn't think it had done anything wrong.

Mr V didn't agree and brought his complaint to this service.

Our investigator upheld the complaint. She said the details from the systems noted £0.00 under Current Year Subs. It also listed Current Year Limit at £20,000. Our investigator said this meant H had been clear with Aldermore – nothing had been deposited in the current year and Mr V could pay in up to £20,000 in the current tax year. She debated with Aldermore about the meaning of current but said it was unreasonable for Aldermore not to clarify this with H to be certain. She confirmed this had an impact on Mr V. She said the trouble delayed Mr V being able to invest his funds for six days. Our investigator said this wasn't going to amount to very much in lost interest. But she did accept Mr V had to make efforts to get the matter rectified and he had suffered distress and inconvenience in the process. She said Aldermore should pay £100 for any errors it made in the transfer arrangements as compensation to Mr V.

Aldermore didn't accept this so the complaint was passed on for a final decision from an ombudsman.

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.

I won't comment on every element raised as part of the complaint. I will focus on the points I see as central only.

Mr V noted he had lost money in interest as he hadn't been able to deposit funds when he had initially requested to. He said he had suffered other losses to as he was a higher rate taxpayer. Mr V noted other expenses around calls, postage, his time and compensation.

I looked at the documentation sent through the electronic system and the EISA paperwork looks exactly the same as it does for the transfer from another bank that went through without a problem. Aldermore said there could be no manual interventions here to make an error occur. But looking at the two documents from the two different providers to Aldermore it hasn't highlighted anything incorrect, anything different or any issues with that document. As mentioned, the two documents have exactly the same sections marked in the same way.

H maintained that the issue was with Aldermore. H said it had correctly changed the funds from Current Year Subscriptions (CYS) to Previous Years Subscriptions (PYS) and that this was done automatically by its systems. It said it was down to Aldermore to update the information and show the funds as PYS once it had transferred.

Our investigator wasn't convinced Aldermore had been clear in her discussions with it about how this happened in this case. She felt Aldermore's response rather supported H's position that Aldermore had made the error rather than H.

H said Aldermore could have contacted it at any point to check and request an updated version of the ISA subscriptions if it was in any doubt. But it didn't, instead Mr V encountered problems and delays in making his further deposits. In the end Mr V produced the evidence from H himself.

I haven't seen anything in the transfer details that highlight to me an error was made in the process of H passing the transfer to Aldermore.

It appears Mr V was trying to pay in subscriptions for the current tax year from 12 April 2024. And the matter was rectified after Mr V produced the further evidence on 18 April 2024.

In fairness to Aldermore when it did get the evidence from Mr V to show he was entitled to use his full allowance for the current tax year it acted quickly to rectify the matter. So that does mean the gap between when Mr V wanted to invest and was then able to invest was a few short days. That does mean the loss was kept to a minimum.

But Mr V's point was that he didn't feel he had been treated fairly and reasonably. He had to spend time and energy getting the matter put right and Aldermore hadn't taken any responsibility for the issues that occurred.

Although I can understand this was distressing for Mr V I accept Aldermore moved quickly to update the records and confirm this to him once he did produce the evidence it required. But he was inconvenienced, and he did have to spend time getting the matter put right. Mr B did refer to much higher amounts he thinks would be appropriate compensation for this. But I think Aldermore did act quickly and made sure Mr V was updated regarding the amounts he could pay in and when.

So, I think £100 compensation for his distress and inconvenience in this complaint is a fair and reasonable outcome.

Putting things right

- Pay Mr V £100 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint.

I require Aldermore Bank Plc to:

- Pay Mr V £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 13 June 2025.

John Quinlan
Ombudsman