

## **The complaint**

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) delayed in dealing with a transfer of funds in respect of his ISA and made errors and failed to deal with his complaint properly.

## **What happened**

In August 2023, Mr S opened an ISA with NatWest with an initial deposit of £1,000. At the same time he requested a transfer of a further £99,000 from an ISA he held with another financial institution. There was some delay in NatWest completing this and he had to chase it up on several occasions. The adviser explained that there was a backlog of applications and that interest would be backdated.

NatWest completed the transfer on 12 October 2023. However it transferred the whole amount from Mr S's other ISA, instead of just the £99,000 requested. He had to chase NatWest up again several times, and he was required to go back to the other financial institution to request further transfer forms. He raised a formal complaint in November 2023. NatWest responded in January 2024, acknowledging the delay and it paid him £100 compensation. However it didn't address the wrong amount being transferred.

After Mr S contacted it again, NatWest arranged to transfer the funds back to the other financial institution, leaving the £100,000 in Mr S's NatWest ISA. Mr S had to chase again regarding the backdating of interest. A further payment of interest was paid into his ISA on 2 April 2024. NatWest responded to Mr S's further complaint in July 2024. It explained that it had paid backdated interest. It paid another £250 compensation, including £50 in respect of telephone calls. Mr S still queried that NatWest had not paid him the full amount of backdated interest.

On referral to the Financial Ombudsman Service, NatWest set out its calculations at the request of our Investigator. It explained that as the NatWest ISA had a higher interest rate than the other ISA, Mr S had benefited from the excess funds being held by it from October 2023 until February 2024. It said it had paid him all the interest due on 2 April 2024. Our Investigator advised Mr S that she felt that NatWest had paid all the interest due and that it had paid a reasonable amount of compensation.

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.

I can well understand Mr S's frustration at the delays and errors in this matter. He made his transfer request on 5 August 2023. Under government guidelines the transfer should have been completed by 26 August. I know that backlogs do happen and that there was an initial query about the roll number of Mr S's other ISA. But Mr S had to chase up over the telephone to find this out. I also understand his further frustration that, instead of requesting

£99,000, as it had been asked to do so by Mr S, it requested the full amount in the other ISA. Mr S immediately picked up on this, but again had to chase up NatWest for a response and was asked to make a further transfer request. NatWest didn't action this and in its response in January 2024 didn't initially recognise its error.

Although NatWest did then send the funds back on 1 February 2024, and paid Mr S backdated interest in April 2024, it didn't explain this to Mr S nor provide details of its calculation. It didn't provide a final response until July 2024, and then again after Mr S having to chase over the telephone several times.

So I think that NatWest was responsible for the delays, for the error in the transfer amount, and in failing to deal with Mr S's complaint properly. Mr S also had to spend a lot of time on the telephone, including waiting to get through.

In respect of the backdated interest, I have seen NatWest's calculations which have been shared with Mr S. As the NatWest ISA interest rate was higher than his other ISA, the loss of interest by not having the transfer carried out by 26 August 2023 was actually more than offset by the gain made by the excess funds being held on the NatWest ISA until 1 February 2024. As regards the amount paid on 2 April 2024, I'm satisfied that this included some backdated interest and that further interest payments up until that date are not due. I won't set out the figures here as they have been clearly explained to Mr S by our Investigator.

As regards the compensation paid, for the initial delay NatWest paid £100. And for its errors and further delays it paid £250. The latter figure included £50 in respect of telephone calls. Having assessed the matter in detail and having regard to awards of compensation we have made in similar cases. I do think that NatWest has paid a reasonable amount of compensation. So I won't require it to pay any further amount or to take any further action.

### **My final decision**

I'm satisfied that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY has paid reasonable compensation to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 May 2025.

Ray Lawley  
**Ombudsman**