

The complaint

Mr V is unhappy with Bank of Scotland plc trading as Halifax. Mr V wanted to transfer his cash ISA from Halifax to Bank "A". The transfer was delayed and when Mr V went to put new and further money into his new ISA with A he was told this wasn't possible as he had used up his full cash ISA allowance already for the year. Mr V wants more compensation he said the amounts given to him so far by Halifax to put the matter right are insufficient.

What happened

Mr V instructed A to transfer in the full balance including interest of his old one year fixed rate cash ISA from Halifax on maturity. Halifax delayed the transfer until the new tax year and the transfer didn't complete until 10 April 2024. Somewhere a mistake was made and the new ISA noted the account with details to suggest the ISA subscription paid in was for the current tax year instead of the previous one.

When Mr V tried to put new and further deposits into the new ISA with A these were declined. It took a little time for the matter to be rectified so Mr V could then use the new tax year allowance. Both banks blamed each other. Mr V suggested throughout that the banks were colluding to avoid paying interest. He said the meagre compensation from Halifax didn't cover his loss.

Halifax accepted it had caused avoidable delays and apologised. It offered £40 as compensation and £11.51 for the lost interest as a result of the delays. This gave Mr V a total of £51.51. But it concluded when it sent the funds they were sent correctly. Initially it said funds are marked as Current Year Subscriptions (CYS) as maturity date hasn't been reached. But in this case as the transfer went through late its system would automatically change CYS to Previous Years Subscription (PYS) as the funds were actually credited in the previous tax year. Halifax said this was a standard process and it was the responsibility of A once funds had been transferred to update the information on its side to ensure funds showed as PYS.

Mr V remained unhappy with the compensation and brought his complaint to this service.

Our investigator didn't uphold the complaint. She accepted Halifax had compensated for the losses it was responsible for and it had apologised. Our investigator noted Halifax had breached the usual timescale for transfer by two days. But she felt based on this error and the delays Halifax had offered fair compensation for this. And after reviewing the transfer details shared by Halifax she didn't think it had made any other errors. Our investigator concluded Halifax had acted reasonably.

Mr V didn't accept this and asked for his complaint to be passed to an ombudsman for a final decision.

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.

Mr V said he lost interest of £96.50 for the period when he wasn't able to deposit his money in the new tax year. Mr V said this amount was confirmed by A. He said he also lost a further £20 due to being a high rate tax payer, £7.30 for postage, £1.55 on phone calls, £768.20 for his time based on his hourly salary.

Mr V said as the banks had shared incorrect information he should get £200 compensation for that and a further £250 for his inconvenience.

Halifax accepted it had delayed the ISA. It apologised, paid the £40 compensation, and covered the lost interest it said applied of £11.51.

But it maintained its system correctly changed the funds to PYS as per its usual process. It said A would have been notified of this and it was down to A to make sure it did the same thing at its end. Halifax concluded if A had correctly updated the funds records to PYS this would have prevented Mr V's further deposits being returned.

Halifax said A would have had opportunities to correct Mr V's ISA subscriptions and sort out the payments into the new ISA it had set up for him. Halifax said it made a fair and reasonable offer.

With the evidence shared between the banks Halifax said A had made the error in the way it had interpreted the information. It said it was clear the money was for 2023-24 but A had set it up as 2024-25. Halifax said it had no responsibility for that. It also said A could have checked and requested an updated version of ISA subscriptions at any time. Halifax said it could also have allowed Mr V to fund the cash ISA if A was waiting for a response from it and then corrected the ISA subscription status after that.

I think that's a fair and reasonable assessment from Halifax. It was clear about how its system operates and what it did. And it was also clear about what it can't do when the funds are in the hands of the other bank – in this case A.

I've reviewed the paperwork 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. Based on the evidence provided it is accepted that Halifax did delay matters but it did offer compensation for that and the interest lost. I think in this complaint it acted fairly and reasonably. I've not seen any evidence to suggest otherwise.

I appreciate that Mr V feels he is entitled to a great deal more compensation than the amount offered by Halifax. But I think in the circumstances Halifax has acted fairly and reasonably. There's no evidence to suggest Halifax colluded with any other bank or deliberately tried to avoid paying Mr V what he was entitled to.

My final decision

I don't uphold this complaint.

I make no further award against Bank of Scotland plc trading as Halifax.

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