DRN-5560569

The complaint

Mr H complains about Santander UK Plc (Santander). He said Santander made mistakes when it arranged a transfer from three stocks and shares ISAs Mr H held with third parties, to a cash ISA account he held with it.

Mr H said Santander should compensate him for the losses he has incurred because of Santander's mistakes, and it should make a payment to him for the distress and inconvenience it has caused him.

What happened

Mr H holds a cash ISA with Santander. On 1 November 2024 he sent Santander 3 ISA transfer forms in the post. He said the transfer forms arrived with Santander on 4 November 2024.

Mr H was looking to transfer money from three stocks and shares ISA accounts he held with Fidelity, Invesco and M&G, all to go to his cash ISA he held with Santander. He was requesting that Santander arrange with the three firms to sell investments Mr H he held, to cash and then transfer over the proceeds to it.

The transfer between Santander and Fidelity went relatively smoothly. Mr H said he noticed on 7 November 2024 that investments had been sold to cash on his Fidelity account. On 13 November 2024 Santander had received the cash from Fidelity.

Mr H said he chased the Invesco and M&G transfers up with the parties, from the point Fidelity had sold to cash his investments. He said he chased the other two firms up on 8 and 11 November 2024. He said both said they hadn't received a transfer form. M&G then said it did receive a transfer form on 11 November 2024 but it was a photocopy so it couldn't accept it. Both firms told Mr H they required the original transfer form, and alternatively Invesco was able to receive the form digitally. Mr H complained to Santander at this stage; he contacted it with valuations of both his portfolios with Invesco and M&G and said it should compensate him for any losses going forward.

Santander responded to Mr H on the phone but also sent a letter to explain its stance on 13 November 2024. It said it didn't think it had caused any mistakes here. It said it had sent paperwork digitally to Invesco and with M&G, it was unable to send an original copy and only worked with digital versions. It said it was aware that M&G only accepted the original form. It suggested Mr H go into one of its branches and complete a new form, then send that directly to it. Santander said it still had time to complete the transfers in good time and then offered £50 as a gesture of goodwill.

Mr H said he continued to chase the parties and received confirmation from both Invesco and M&G on 15 November 2024, that his investments had been sold to cash. Santander received cash from Invesco on 25 November 2024 and M&G on 26 November 2024. Mr H said he received the response from Santander dated 13 November 2024, on 22 November 2024. Mr H said he also was sent an erroneous letter from Santander that was dated 19

November 2024, where it stated it couldn't complete the transfer with M&G and attached an incorrect transfer form.

Mr H said he would like Santander to pay him compensation for his financial losses. He worked these out by calculating what he thinks he would have received if Invesco and M&G had sold his investments on 11 November 2024, the date M&G said it couldn't accept a photocopy of the transfer form. He said he made financial losses of £1014 on his M&G account and £629 on his Invesco account. He said he would also like a payment for the distress and inconvenience Santander has caused him. Mr H said the financial loss he thinks he has incurred, will have lost its tax efficiency.

After Mr H referred his complaint to our service, Santander offered a further £25 in addition to the original £50 gesture of goodwill. It said it did this, as it made a mistake and sent the wrong transfer form to Mr H when it sent him a letter dated 19 November 2024. It said this had no bearing on any financial losses as Mr H had already sent a transfer form to M&G at this stage, but admitted it sent the wrong transfer form at this stage. Mr H rejected its offer.

An investigator looked into Mr H's complaint and concluded that Santander had not acted fairly. She made the following points:

- The Fidelity transfer was not subject to this complaint, and she couldn't see Santander had made any mistakes with the Invesco transfer either.
- She explained that Santander had posted a photocopy of the ISA transfer form to Invesco on 5 November 2024, and it was on 15 November 2024 that it received this. It then sold the investments down to cash on the same day. The investigator said Santander had followed its own database about what Invesco's requirements were here. She said she couldn't hold Santander responsible for any delay.
- Santander did not follow its own process or the information it held on its database about M&G. She said she could see it was aware from the outset that M&G only accepted posted forms with a wet signature, and so the correct process was for it to send a transfer form out to Mr H, and for him to then send this on to M&G. She said it did not follow this and caused a delay. So, she upheld Mr H's complaint with regards to this transfer.

The investigator then worked through what she felt would have happened if Santander had completed the transfer from M&G correctly. She concluded M&G would have more likely than not received the transfer form and sold the investments to cash on 12 November 2024 rather than 15 November 2024. The investigator concluded Santander should pay the difference between what the investments were worth on these dates, with interest. She said it should also pay Mr H £150 for the distress and inconvenience it has caused.

Mr H was not in agreement with specific points in the investigator's view. He said he expects his valuation from 11 November 2024 to be used in any compensation calculation. He said M&G received the letter from Santander on 11 November 2024 and so would have sold then not 12 November 2024.

Mr H said any financial losses should be added to his cash ISA. He said any payment for distress and inconvenience should be paid to his current account. He also asked that his postage cost for sending a form to M&G be refunded.

Mr H made it clear that if his valuation was not used in the compensation calculation then he would like to appeal to an ombudsman. He said he also felt a payment for distress and inconvenience should be more like £500.

Because the parties are not in agreement, Mr H's complaint has been passed to me, an ombudsman, to look into.

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.

Fidelity and Invesco transfers

The transfer from Fidelity to Santander, by all accounts went well, and is not subject to this complaint, so I haven't looked into this any further.

Santander keep a database of ISA providers, that provides details such as each firm's address and contact details. It also specifies each firm's preference regarding how it processes a transfer. In Invesco's case, it is noted that it preferred to have a transfer form sent in the post. Santander did this on 5 November 2024, not long after it received the request in the post from Mr H. Invesco received this form on 15 November 2024, and on that date sold the investments to cash.

I cannot see, when I look through what happened here, that Santander has made any mistakes regarding the transfer from Invesco to it. I can see that it managed to complete the transfer within a reasonable time, and within a 30-day period that it said it would complete the transfer by. So, in summary, for the Fidelity and Invesco transfers, I don't think Santander need to do anything further as it didn't make any mistakes with them.

M&G transfer

Santander completed the transfer with M&G within 30 days, as it said it would on its website. This is within Government guidance for a transfer of this type too. That said, this doesn't mean Santander didn't do anything wrong or caused Mr H financial losses, as he has described. He said Santander made a mistake and this caused a short delay, and his investments dropped in value during this time. So, I have looked into this.

I can see that Santander kept information about M&G on its database and so when Mr H put in his transfer request and it received it, it would have been aware of what was needed here. M&G required an original form, signed by Mr H. So, when Santander sent a photocopy of the transfer form, it made a mistake. I think on balance, the mistake Santander made here, meant that the transfer took longer than it would have done if it had not done so. So, it needs to put things right with regards to this.

Putting things right

Mr H has been very clear: he would like Santander to use a valuation that he worked out on 11 November 2024. He said he called Santander on that day and gave them this figure.

Mr H has used 11 November 2024 as the date Santander should calculate what he would have received for his investments, because this is the date M&G received the photocopy of the transfer form, only for it to reject the form because it wasn't the original, with a wet signature.

I asked M&G for a valuation of Mr H's investments, if it had sold them on 11 November 2024 and 12 November 2024.

The investigator explained why she felt using 12 November 2024, was a fairer date. I can see she worked through what would have happened if Santander had completed the transfer correctly and arranged for an original form to M&G. She considered on balance, that if Santander had done this, M&G would have received the form on 12 November 2024 and sold on the same day. Therefore, Santander should use a valuation from 12 November 2024 in its calculation when it looks to put things right. I agree with this because, I think on balance it would have taken a day longer for Santander to get the original form to M&G. I think this is a fair and reasonable date for Santander to use.

Santander has also confirmed that any payment made here for financial loss will be put back into Mr H's cash ISA account, so he will not lose any tax efficiency on the payment.

Santander has already paid £50 as a gesture of goodwill. I think an additional payment of £150 for the distress and inconvenience Santander has caused to be fair and reasonable. It is the sort of amount of would have awarded in the circumstances. Mr H wants more here, and I appreciate what has happened has affected his mental health. But I need to consider the individual circumstances of Santander's mistake here, including that it was one mistake that was resolved relatively quickly. I think the payment of £150 to be consistent with awards I've made in similar cases to this one.

I also think Mr H should be given a payment for interest. This and the payment I have awarded for distress and inconvenience didn't fall part of the investment, are compensatory payments and so should be made directly to him.

In summary, Santander should:

- Pay Mr H the difference between what his investments held with M&G would have been worth if they had been sold on 12 November 2024, compared to what they were sold for on 15 November 2024. This amount should be paid into Mr H's ISA account.
- Pay 8% simple interest on the financial loss between 12 November 2024 to the date of settlement.
- Pay Mr H an additional £150 for the distress and inconvenience caused, in addition to the £50 gesture of goodwill that it has already paid. Pay the interest payment and payment for distress and inconvenience directly to Mr H.

My final decision

My final decision is that I partially uphold Mr H's complaint, and I direct Santander UK Plc to put things right, as I have described above. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 September 2025.

Mark Richardson
Ombudsman