

The complaint

Ms B complains that Vanguard Asset Management Ltd (“Vanguard”) caused unnecessary delays in transferring her stocks and shares ISA.

What happened

On 11 October 2024, Ms B requested a transfer of her stocks and shares ISA to Vanguard which was in-species with a partial cash element. As her previous ISA platform didn’t accept electronic ISA transfer requests, Vanguard sent Ms B a paper ISA transfer authority form, which she completed and uploaded to her Vanguard account on 25 October 2024.

Vanguard incorrectly cancelled Ms B’s transfer request on 30 October 2024 and it resubmitted her transfer request on 1 November 2024.

On 19 November 2024, Vanguard sent Ms B an email stating it had received £495.04 and as this was significantly lower than the £513,316 anticipated amount in her transfer request, it emailed her to ask if this should be applied to her Vanguard account or be returned to her previous investment platform. Ms B replied to this email on 24 November 2024 confirming this was the cash balance in her existing ISA and that her other assets should also be transferred. Vanguard replied the following day explaining that it had only received this cash and currently no assets, despite Ms B being told by her previous investment platform that the transfers were made on 18 and 20 November 2024.

The following day Vanguard emailed Ms B explaining that it was never provided with a valuation from her previous investment platform and so it had to match the units transferred with those confirmed in Ms B’s messages.

Vanguard says that her ISA then transferred on 26 November 2024, followed by the £495.04 and 96 pence in cash the next day. Vanguard also received residual cash on 31 December 2024 which was credited to her account on 4 January 2025.

Ms B complained to Vanguard in November 2024 as she was unhappy with the delays experienced.

Vanguard considered Ms B’s complaint and apologised for the poor service it had provided and offered £150 to recognise the distress and inconvenience caused.

Ms B remained unhappy with Vanguard’s findings and the time it took for it to answer her complaint. So she referred her complaint to this service for an independent review.

One of our investigators considered the complaint but didn’t uphold it. In summary, they said:

- Our service couldn’t consider Ms B’s concerns around the time it took Vanguard to investigate her complaint as complaint handling isn’t a regulated activity.
- They acknowledged that the transfer took 32 days to complete once Ms B uploaded her ISA transfer form.
- They acknowledged that Vanguard incorrectly advised Ms B that it had cancelled her

transfer request on 30 October 2024 which caused a delay of six days, and it should have checked and been aware that the £495.04 was relating to the cash element of her account before contacting her.

- As Ms B's ISA account was transferred in-specie, this delay did not cause her any financial loss.
- They appreciated that on 25 November 2024 Ms B would have been concerned that her funds had gone missing, until Vanguard confirmed it had been received and applied to her account on the following day.
- However, they felt that Vanguard's offer was fair and reasonable in all the circumstances.

Ms B provided further information for the investigator to consider. In summary, she said:

- She had provided a screenshot of her account which evidenced that her ISA didn't fully transfer until 29 January 2025.
- The investigator's findings didn't take into account the compound distress caused by the fact this was the second extended episode of multiple errors in a similar in-specie transfer to Vanguard, which occurred in late 2021/22.
- She felt our service hadn't made it clear since referring her complaint that our service cannot consider Vanguard's handling of her complaint.

The investigator considered these further points and in summary, said:

- Vanguard had provided screenshot which confirms that £495.04 and 96 pence cash was credited on 27 November 2024, followed by residual cash of £654.91 on 4 January 2025 made up of dividends received after the transfer had completed.
- Vanguard's final response which was subject to this complaint was regarding the most recent ISA transfer only and so they hadn't considered the previous transfer for which Ms B had now raised concerns about. They explained that Ms B would need to raise this as a separate complaint with Vanguard before our service could consider it.
- They reaffirmed that our service cannot consider complaints handling as it isn't a regulated activity and that the offer was fair and reasonable.

Ms B remained unhappy with the investigator's response. She remained of the opinion that her screenshots show that one of her funds didn't transfer until 29 January 2025. She also pointed out that the screenshots show that the £495.04 actually transferred on 31 December 2024. Ms B also explained that Vanguard had considered a complaint about her previous ISA transfer, and she accepted £350 compensation for those delays. However, she felt that the delays in her most recent transfer have compounded the distress and inconvenience caused to her.

As Ms B remained unhappy, the complaint has been passed to me to decide.

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.

ISA transfer rules specify a 30-day timeframe for transferring funds from one ISA manager to another. Looking at the circumstances of Ms B's ISA transfer, it would appear that the starting point for considering whether Vanguard transferred the ISA as expected would be 25 October 2024, when Ms B uploaded her paper ISA transfer authority form to Vanguard. Therefore, Ms B's ISA ought to have transferred to Vanguard by 24 November 2024.

I understand that the completion date is disputed by Ms B and Vanguard. Vanguard says the transfer completed on 26 November 2024, whereas Ms B believes the transfer didn't fully complete until 29 January 2025. So I've carefully considered the circumstances of this complaint.

Having reviewed the screenshots provided by Vanguard, I find them to be slightly unclear. One fund is recorded as being completed on 18 November 2024 but requested on 26 November 2024. The other fund is recorded as being completed on 20 November 2024 and requested on 26 November 2024. The cash transfer of £495.04 is recorded as being completed on 27 November 2024 and requested on 6 November 2024. However, the audit information provided by Vanguard records the cash amount as being received on 18 November 2024. An explanation around this could be because Vanguard says it wasn't provided with a fund valuation, and I understand this caused some delays from it receiving the funds to them being credited to Ms B's account. Regardless of this conflicting information, the latest dates recorded for the transfer are 26 November 2024 for the funds and 27 November 2024 for the cash amount of £495.04. As such, this does support that the complete ISA transfer completed, at the very latest, by 27 November 2024.

Having considered the screenshot provided by Ms B, this appears to show the last updated date of the transfer being 29 January 2025. However, I note that this was an updated date rather than a completed date that was recorded. This is important as I'm aware that a further residual payment was made to her account following the transfer completing. This is further supported by the screenshot provided by Vanguard which shows a post completing note was added on 29 January 2025 following a new residual cash amount being credited. It's not unusual for there to be additional cash payments to ISAs following a transfer, as there is often a distribution of dividend payments that are received after the ISA has transferred. So I'm not persuaded by the screenshot provided by Ms B that her ISA transfer didn't complete until 29 January 2025.

Having weighed up all the evidence provided, on balance, I'm persuaded Ms B's ISA transfer completed on 27 November 2024, which is three days later than I would have expected it to have. However, although there has been a slight delay, I need to consider the impact this has had on Ms B, both as a direct financial loss, as well as any distress and inconvenience this may have caused.

As the ISA was partly an in-species transfer, meaning that the funds remained invested in specific funds, I find that there was no direct financial loss suffered by Ms B as a result of the delays, as her ISA remained in these funds following the transfer completing. I appreciate that there was a cash element of the ISA which could of caused a potential financial loss. However, I would need to see evidence to support that Ms B intended to invest this cash on receiving it, which hasn't been forthcoming. I note that a statement has been provided to Ms B which shows that the cash element was credited to her account on 27 November 2024 and that Ms B purchased some further stocks on 13 January 2025. But this appears to have been purchased following her making a deposit on 4 January 2025. Furthermore, if it was always Ms B's intention to purchase these further funds with the cash transferred from her ISA, then I would have expected her to have done this much sooner than on 13 January 2025. As such, I'm not persuaded the delay in the cash element of her ISA transferring caused her any direct financial loss.

Turning to Vanguard's offer for the distress and inconvenience caused. I appreciate this is the second time Ms B has felt the need to complain to Vanguard about an ISA transfer, however I understand this is not a continuation of the same delayed transfer. As such, these are separate issues that have different circumstances.

I appreciate Ms B has found it necessary to chase Vanguard on occasions to get an update on the transfer and there has been some errors caused by Vanguard, for which it has had to contact Ms B for further information. This includes when it spoke to her on 25 November 2024, in which I acknowledge Ms B may have had some concerns that her funds had gone missing. However, I note that Vanguard confirmed these had been received and applied them to her account on the following day. So any concerns were quickly dealt with. As such I feel the £150 compensation offered is fair and reasonable in all the circumstances, especially considering the transfer completed only three days after the 30 days guidance.

I understand Ms B also feels that Vanguard took too long to investigate her complaint, having complained in November 2024 and only receiving a final response in February 2025. I note that Vanguard did apologise for the delay and explained that its offer of £150 included its recognition of this. The investigator who considered Ms B's complaint explained that our service cannot consider complaint about case handling. Whilst the investigator is correct that dissatisfaction solely about the way a firm has handled a complaint does not fall within the scope of our jurisdiction, I find that Ms B's complaint is actually about the delay in the ISA transfer and that she was uncertain as to why this had happened, due to Vanguard not explaining the reasons behind this until it issued its final response letter in February 2025. Whilst I acknowledge the uncertainty Vanguard's delay in giving its answer caused Ms B, I'm not persuaded to ask Vanguard to increase its offer. I say this as the transfer had completed in November 2025 and so she had no concerns regarding the amount she had received whilst waiting for an answer. So I find the apology given by Vanguard to be sufficient.

My final decision

My final decision is that Vanguard Asset Management Ltd offer of £150 is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 22 July 2025.

Ben Waites
Ombudsman