DRN-5631741

Financial Ombudsman Service

The complaint

Mr S has complained about Metro Bank Limited's ("Metro Bank") handling of a request to transfer an ISA to another provider.

What happened

On 30 July 2024, Mr S applied to transfer his Metro Bank ISA to another provider. On 7 August 2024, Mr S says he received a message from the new ISA provider saying the transfer could not be completed, because there was a mismatch in the National Insurance (NI) number stated in the transfer forms and the one recorded on Metro Bank's systems.

Mr S says he called the new provider, to check it had the correct NI number for him, which it confirmed that it had, so Mr S asked that it apply to transfer the ISA again on 24 August 2024. However, the second ISA transfer attempt failed for the same reason - Metro Bank still had the same incorrect NI recorded for Mr S. As a result of the issues that Mr S faced, he complained to Metro Bank.

Metro Bank issued its response to the complaint on 12 September 2024 and upheld the complaint. Metro Bank confirmed that it had the correct NI number recorded for Mr S when he originally opened an account in 2016. But says that, when Mr S applied to open an account in 2018, the signed application form included Mr S's NI number, but one digit had been entered incorrectly. Metro Bank understood how Mr S may not have noticed one of the digits being incorrect and so concluded that the mistake may've been caused by a member of staff inputting the wrong information.

To put things right Metro Bank paid Mr S £100 compensation. It also said that, if Mr S reapplies to transfer his ISA with the other provider, the transfer will now go through. Metro Bank also said it'd be willing to reimburse Mr S for any interest he may've missed out on, so asked Mr S to provide evidence of what interest he would've earned had the transfer been successful. Metro Bank also explained that, if Mr S wished to communicate via email, Mr S would need to call or visit a Metro Bank branch to verify his email address.

Unhappy with how Metro Bank handled matters, Mr S referred his complaint to this service. One of our investigators assessed the complaint, and overall, they were satisfied that what Metro Bank had offered to put matters right for Mr S was reasonable.

However, as Mr S and Metro Bank could not agree on a figure on how much interest Mr S lost out on, the matter was referred for an ombudsman's decision.

I issued a provisional decision on 9 July 2025, explaining why I thought Metro Bank needed to do more, to put matters right for Mr S. I have included an extract of my provisional decision below and it forms a part of this decision.

> ***"Provisional Findings***
>
> *Having considered everything I uphold this complaint and have explained below what redress I think is reasonable to put things right, in the circumstances of this complaint.*

It's not in doubt that Metro Bank has accepted responsibility for the incorrect NI number for Mr S being recorded on its systems, and this led to Mr S's ISA transfer requests being unsuccessful. Since referring his complaint to this service, Mr S has made a number of points about how this error is a sign of corruption or is evidence of wider wrongdoing within Metro Bank. However, it is beyond the remit of this service to investigate whether financial businesses are complying with the necessary laws and regulations on a wider basis. That is a matter for the regulator (The Financial Conduct Authority) to investigate, if it deems it necessary. All I can consider within this decision is the specifics of Mr S's complaint, and how Metro Bank can put things right for Mr S. And as mentioned above, it is not in dispute that Metro Bank did something wrong and that prevented Mr S from being able to transfer his ISA.

So all that is left for me to consider is whether what Metro Bank has already offered to put things right for Mr S is fair, or whether it needs to do more. And for the reasons that I will outline below, I currently think Metro Bank needs to do more to put things right for Mr S. I will explain why.

Metro Bank has already paid Mr S £100 for the distress and inconvenience caused when he was informed by his new ISA provider that his transfer had failed because Metro Bank had a different NI number recorded for him. I have considered whether this element of the redress should be increased, but overall, I think it is a reasonable amount of compensation in the circumstances. I say this because, it clearly would've been frustrating for Mr S when he was informed that his ISA transfer had failed. But the new ISA provider explained that the initial transfer attempt had failed because Metro Bank had a different NI number stored for him (than he'd stated on the ISA transfer forms). So it would've been fairly straight forward for him to rectify matters i.e. he would've had to check what NI number Metro Bank had stored for him and then ask that they correct it.

Mr S says that he'd applied to transfer his ISA again, with the same provider, on 24 August 2024, but he was informed on 28 August 2024 that transfer requested had also failed. I appreciate that having a second ISA transfer request fail would've been very frustrating for Mr S, especially as he was transferring a large amount of money. But Mr S decided to apply to transfer his ISA again, even though he'd already been told that Metro Bank had a different NI number recorded for him. Indeed, the new ISA provider said that he would need to contact Metro Bank and get the NI number amended, before reapplying to transfer his ISA. But despite this, I can't see that Mr S did contact Metro Bank to amend the NI number it had stored for him, before he applied to transfer his ISA again. So I don't think further compensation should be paid to Mr S for the failure of the second ISA transfer, as I think he could've taken steps to have mitigated some of the distress and inconvenience that he experienced.

In addition to the above compensation, Mr S says that he lost out on interest. And given that Metro Bank accept responsibility for the ISA transfer failing, then I think it's only fair that it reimburses him for any interest he lost out on – after all, he was transferring his ISA to secure a better interest rate.

In its response to the complaint, Metro Bank said that it would be willing to reimburse Mr S for any lost interest. It seems Mr S understood this to mean interest he lost on his ISA over the course of a year. But, since the investigator reviewed the case, it has become apparent that Metro Bank meant that it will only reimburse Mr S for any interest he lost out on – up until the date of the final response letter. Metro Bank explained that it took this stance because its final response letter explained to Mr S *that it had rectified the incorrect NI number for Mr S. So he would've then been able to reapply to transfer his ISA from that point onwards.*

However, given that it was confirmed in the final response letter that Mr S's NI number had since been corrected (to the one it previously had recorded for Mr S, which matched the one on the transfer request), I think that Metro Bank should also pay Mr S for a further month of 'missed interest'. I say that because it would then have given Mr S a reasonable amount of time to reapply to transfer his ISA to the other provider, once he knew his NI number had been corrected on Metro Bank's systems.

I appreciate that Mr S would like to be paid interest for a longer period than either what Metro Bank or I think is fair. But there is a reasonable expectation that anyone who suffers from a wrongdoing takes reasonable steps to mitigate their losses, rather than let them grow. In this instance, I see no reason why Mr S was not then able to reapply to transfer his ISA, shortly after he'd been informed by Metro Bank that the error had been corrected. Instead, it seems he chose not to take any further action until sometime later. So I don't think that it would be reasonable to hold Metro liable for the ongoing loss that Mr S says he incurred.

Turning now to the amount of interest that Mr S missed out on due to being unable to transfer his ISA, I have looked at an archived version of the website of the new ISA provider. From that, I can see the 'Double Access Issue 4 ISA' that Mr S had originally applied for had an interest rate of 4.95%, at the time that Mr S initially tried to apply for it. And I can see that the interest rate on the same account (Issue 4) had dropped to 4.70% by 12 September 2024. Therefore, even if Mr S had successfully transferred his ISA from the first attempt at the end of July 2024, I'm satisfied that he would've initially received an interest rate of 4.95% and this would have then dropped to 4.70%, a short while later.

So I think a fair way to put matters right here is if, on the £81,000 that Mr S had originally attempted to transfer, Metro Bank should pay:

- *The difference in interest between what Mr S did earn in interest on his money and what he would've earned from the Double Access Issue 4 ISA account (4.95%) between 30 July 2024 and 11 September 2024; and*
- *The difference in interest between what Mr S did earn in interest on his money and what he would've earned from the Double Access Issue 4 ISA account (4.70%) between 12 September 2024 and 12 October 2024.*

To help Mr S understand what the above equates to in numbers, we put the above redress recommendations to Metro Bank and invited it to comment. Metro Bank has responded and provided the following interest calculations.

Interest calculation (covering the period before the final response letter was issued)	
Start Date	*30/07/2024*
End Date	*11/09/2024*
Account Balance	*£86,868.86*
Interest Rate	*4.95%*
Gross Interest due	***£506.58***

Interest calculation (covering the month after the final response letter was issued)	
Start Date	*12/09/2024*

End Date	*12/10/2024*
Account Balance	*£86,868.86*
Interest Rate	*4.70%*
Gross Interest due	***£335.58***

So, the total amount of interest that Metro Bank has calculated Mr S lost out on, between 30 July 2024 and 12 October 2024 was £842.16.

Having considered the above, I think the amounts proposed by Metro Bank are fair, as Metro Bank has based its figures on the full balance of Mr S's ISA (rather than just the amount he'd attempted to transfer). And it also doesn't include any deductions for the interest that Mr S did earn, whilst his money remained in his Metro Bank ISA during those periods. Although for the sake of clarity, I would like to point out that if, in its response to this provisional decision, Metro Bank chooses to make a deduction of the interest Mr S did earn whilst his money remained in his Metro Bank ISA, from the above amounts, I think that would be fair for the reasons given above.

I appreciate that Mr S wanted interest paid to him for a full year, but I agree with Metro Bank's logic to cap the redress - but to include a reasonable amount of time to allow Mr S to have acted, once he'd been informed that the error had been rectified. I say this because the only reason why the two attempts to transfer his ISA failed was because Metro Bank had the incorrect NI number recorded for Mr S. So once Metro Bank had confirmed that the error had been rectified (Metro Bank changed the NI number back to the number it first had recorded for Mr S), Mr S was then free to contact the new ISA manager to proceed with the transfer.

Putting things right

So, in addition to the £100 that Metro Bank has already paid Mr S, I'm currently minded to say that Metro Bank should pay Mr S the difference in interest that he did earn on his ISA and what he would've earned – between 30 July 2024 and 12 October 2024 - to reflect the interest he lost out on, due to the two failed ISA transfer attempts.."

After I issued the provisional decision, Mr S didn't respond. Metro Bank did respond, and it confirmed that it was prepared to pay Mr S £842.16 in total.

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.

Having reconsidered everything, as neither party has provided any new information, I see no reason to reach a different outcome than the one I explained in my provisional decision.

As I explained in my provisional decision, I thought that Metro Bank should pay Mr S the difference between what he did earn in interest and what he would've earned in interest - on the amount he attempted to transfer - between 30 July 2024 and 12 October 2024.

In response Metro Bank said it was willing to pay Mr S a total of £842.16 in compensation. Based on my understanding of matters – the amount Metro Bank has agreed to pay Mr S is more than what I had originally said Metro Bank should pay in redress. So, for the reasons I outlined in my provisional decision, I think this is a reasonable amount of compensation, to resolve Mr S's complaint in the circumstances.

Putting things right

To put things, in addition to the £100 that Metro Bank has already paid Mr S, I require Metro Bank to pay Mr S £842.16.

My final decision

Because of the reasons given above and in my provisional decision, I uphold this complaint. I therefore require Metro Bank Limited to do what I have outlined above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 September 2025.

Thomas White
Ombudsman