

The complaint

Mr M is unhappy with Clydesdale Bank plc trading as Virgin Money. Mr M said he lost out on interest when Virgin Money delayed transferring his ISA to another provider.

What happened

Mr M was transferring his ISA funds from Virgin Money to two different providers. Mr M had a fixed rate e-access ISA issue 2 maturing on 24 October 2024. The first transfer was made on the date of maturity of Mr M's ISA, and all went through as planned. But the second transfer being made to bank (A) didn't go through immediately. Virgin Money released the funds on the following day - 25 October 2024 instead.

Mr M said his wife had similar issues but those are dealt with under a separate complaint, and I won't comment further on that in this complaint.

Mr M said he lost interest in the delay. He wants Virgin Money to pay him for his loss of interest and compensation for the distress and inconvenience this caused him.

Virgin Money said it did have the request from A on Thursday 24 October 2024 to transfer the ISA money. Virgin said when it receives the request isn't the issue though. Virgin Money pointed out that within the ISA Key Facts document under ISA regulation it says, *"it can take up to 15 working days to complete a request to transfer a Cash ISA."* It confirmed this is clearly noted within the documentation Mr M can check online.

Virgin Money told this service there were two requests on 24 October 2024. It said the first was a partial transfer elsewhere and this was actioned on the day. But Virgin Money said, *"Our system requires an overnight update the earliest we could process the second request which was a closure of the account to A, was Friday 25 October 2024, which we did."*

Virgin concluded *"I think you'd agree that this was well within the 15-day timeframe we're allowed to transfer an ISA, so our stance remains the same."*

As agreement couldn't be reached with Virgin Money Mr M brought his complaint to this service.

Our investigator didn't uphold the complaint. He said Virgin Money had to wait until 24 October 2024 to process the transfers as this was the maturity date. He noted that processing the request the next day was well within the timescales required of 15 days. He said once the funds had been sent by Virgin Money, he couldn't hold it responsible beyond that. Our investigator didn't think Virgin had made any errors here or treated Mr M unfairly.

Mr M 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.

I understand the point Mr M is making. He feels the transfer took longer than it should have done and as far as he is concerned it should all have been concluded on 24 October 2024, the maturity date.

Mr M said he opened the account with A on 3 October 2024 so the money could be moved on 24 October 2024. Mr M considered this to be proper notice and wants Virgin Money to pay him £168.49 in lost interest with compensation on top.

Mr M said he and A had to repeatedly intervene to get the transfer done by Virgin Money on Friday 25 October 2024 and the account was closed. But Mr M noted the funds didn't reach A until Monday 28 October 2024.

Mr M noted one institution transferred the funds on the correct day while he had to intervene on the other before it was eventually transferred. Mr M said his money was in a "black hole" until 28 October 2024.

Mr M said it was clear that there was a delay. Mr M said as he set the account up with A on 3 October the transfer did take more than the industry standard 15 days. But I think our investigator covered that point in his view. If the matter had been dealt with in 15 days from 3 October 2024 Mr M's Virgin Money ISA wouldn't have reached maturity and he would have suffered penalty charges and a loss of interest. Mr M had been clear that he wanted the transfers to go through once maturity date had been reached and not before.

Virgin Money when responding to Mr M in its final response letter noted HMRC accept Cash ISA transfers can take up to 15 working days, so it didn't uphold Mr M's complaint.

Virgin Money confirmed that as it did transfer the money within 15 days of the maturity date it isn't able to compensate Mr M for any loss of interest. I accept this is within the 15 days as it is working from the 24 October 2024 date as Mr M didn't want his money to be transferred any earlier than that. I think Virgin Money sending the money the next day 25 October 2024 is reasonable, and again accept it is within the 15 day requirement.

I noted Virgin Money's point about the second request going the next day was the earliest it could process the transfer. As it is one day after maturity, I don't think it's unreasonable or unfair.

Mr M noted once Virgin Money sent the funds it closed his account the same day – 25 October 2024. The money didn't show with A until the Monday 28 October 2024. But as Virgin Money no longer held the funds, I don't think it would be fair and reasonable to ask it to pay interest on funds it had already released and had processed well within the timescales required.

I think Virgin Money followed Mr M's instructions. It acted after the maturity date had passed and processed the transfer a day later. It had already dealt with another transfer for Mr M on the original maturity date too.

Mr M is clearly unhappy about the 15 days but that is the accepted standard. And it would be unfair to hold Virgin Money to any other standard in this complaint.

I won't be asking Virgin Money to do anything more here I think it acted fairly and reasonably throughout.

My final decision

I don't uphold this complaint.

I make no award against Clydesdale Bank plc trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 August 2025.

John Quinlan
Ombudsman