

The complaint

Ms M and Miss M complain about errors in the transfer of Miss M's savings to Skipton Building Society. They also complain about failings in the overall service and process.

What happened

Miss M held a passbook savings account and a junior ISA since birth, with funds being added to both over time. Miss M was aware of her savings account, and managed it with a passbook, but Ms M – Miss M's mother – intended for the ISA to be a surprise for Miss M on her 18th birthday. As a result, the ISA had been kept a secret from Miss M.

Ms M has explained that she arranged for the ISA to be transferred to Skipton due to it offering a better rate of interest than the business it was previously held with. For ease, I'll refer to that business as H. She also arranged to transfer Miss M's passbook savings account, also held in Miss M's name, due to H deciding to no longer offer passbooks with these types of accounts.

Unfortunately, Ms M experienced problems with the transfer of the ISA, and says she visited Skipton's branch several times in the lead-up to the Christmas period in an attempt to resolve the transfer issues. She also said she received incorrect information about the status of the ISA, at one point being told it had been closed due to the funds having not been transferred by H.

The junior ISA transfer eventually took place, but Skipton temporarily applied the funds to Miss M's passbook savings account. It removed them the same day and placed them back in the ISA, before notifying Ms M about the error. A complaint was raised.

Ms M has said she was horrified to learn about the error, raising concerns that a junior ISA had been removed from an ISA wrapper and placed into a non-ISA account. She said the ISA contained around £14,500 – intended as a surprise for Miss M – but that the surprise would be ruined due to the transaction showing on Miss M's passbook account. Ms M said she hadn't consented for the transaction to take place and asked for it to be removed from the account's passbook and statements, as well as from Skipton's systems. She feared that Miss M would learn of the ISA funds if she used the passbook account, and so Ms M felt this had prevented Miss M from using the passbook account again.

Skipton responded to Ms M and said it would backdate the interest in the ISA. It apologised for the inconvenience caused and accepted it had got things wrong. It said that when it received the ISA funds from H, the junior ISA was unable to accept the payment and so the funds had been placed in the passbook saver as a temporary measure. It said it should have contacted Ms M before taking any action, but assured her that there would be no issue with the interest earned or any declaration to HMRC. As well as its assurances and apology, it offered Ms M £250 as a resolution.

Ms M didn't accept Skipton's offer and brought the complaint to our service, both in her own right and as Miss M's representative. She said whilst the amount of funds contained in the junior ISA remained a secret, Miss M was now aware of the junior ISA itself due to Skipton

having written directly to Miss M, instead of Ms M. Our Investigator looked into things, focusing on the impact to Ms M, but didn't think Skipton needed to do more.

In his view he found it likely that the transfer delay wasn't solely due to errors on Skipton's part, and that H, the sending firm, had likely also contributed. He acknowledged how stressful the situation would have been for Ms M, but was satisfied Skipton's offer made up for the impact of the mistake.

Ms M wasn't satisfied with this response. She said she was concerned about some of the evidence she'd seen, including discrepancies between information provided by Skipton, compared to what she'd seen from H. She said the passbook account would continue to show the ISA transfer, thereby giving away the amount of money the ISA contained. She explained again that the funds were a surprise intended for Miss M's 18th birthday, and that they had been saved since Miss M's birth. She highlighted that there was no resolution being provided for this, despite it being the 'main thrust' of the complaint.

As no agreement could be reached, the case was passed to me to decide.

My investigation

As Miss M is the beneficiary of the funds and owner of the accounts, she is an eligible complainant in this case. However, upon reviewing the file, it became clear that, as Ms M managed both accounts on behalf of Miss M (and had arranged their transfer from H), she holds a form of administrative or contractual relationship with Skipton, and is therefore Skipton's customer. And, as someone acting for purposes outside their trade, business or profession, I class her as a consumer. I have therefore treated Ms M as an eligible complainant for matters relating to the administration or management of the account. And I have considered the impact to Miss M in her capacity as account holder and beneficiary of the funds.

I explained this to Ms M prior to the issuance of this decision. I also explained that I was minded to agree that the overall compensation of £250, backdated interest and assurances around any HMRC concerns did enough to make up for the impact of Skipton's failings. I said it was my current position that any decision not to use the passbook account had been Ms M's, and that Miss M hadn't been prevented from using the account by Skipton.

However, since the case had been passed to me, I had been corresponding with Skipton around Ms M's concerns that Miss M may see the junior ISA's balance when looking at the passbook account's information. Whilst it wasn't possible to remove the transaction from its systems, Skipton agreed to provide a new passbook, showing the current balance but leaving out any previous transactions (including the ISA funds), as long as the old passbook was destroyed. Ms M didn't think this was an acceptable solution, raising concerns that Miss M may still be able to see the amount in the ISA, should she ask to see the passbook transactions, or otherwise view her account history in branch.

Ms M highlighted what she called the 'human factor' and that Skipton was aware the ISA funds were a surprise for Miss M. She said it was unclear how a solution with the potential to spoil the surprise was fair, and added it had taken a great deal of effort to put the money aside throughout Miss M's life. She said that, as her parent, it was her right to save it as a surprise gift. She added it was a significant sum of money that she didn't want Miss M to be aware of until her coming of age. This meant she was left with no choice but to restrict Miss M's use of the passbook.

To understand more about how Miss M had come to know about her junior ISA, I asked both Skipton and Ms M to show me how correspondence sent to Ms M had been addressed.

Skipton said only one letter had been addressed to Miss M directly, and that this was a letter about Miss M's National Insurance number which made no reference to her ISA. It said the rest of the correspondence was addressed to Ms M stating it was *for* Miss M.

Ms M was unable to show otherwise. She sent me a combination of documents which she said Miss M had seen. Some of the documents were the contents of letters that had been sent to her, which Ms M said the transparent plastic window would have shown Miss M the subject of the letters. Some of the documents that Ms M provided showed her as the addressee and main recipient, but with text missing after the word 'for'. Ms M said she was concerned that Skipton had amended letters when providing them as part of a previous data subject access request. Of the letters sent to me by Skipton and Ms M, only one was directly addressed to Miss M. This letter related to Miss M's National Insurance number and made no mention of the ISA.

In response, I wrote back to Ms M to explain that, based on the evidence I'd been sent, I couldn't agree that letters relating to the junior ISA had been directly addressed to Miss M. As far as I could see, where I'd been shown how a letter relating to the junior ISA had been addressed, it was addressed to Ms M *for* Miss M.

With Ms M aware of my considerations regarding the key parts of the complaint, and having had an opportunity to provide her comments, I've proceeded with my 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.

Having done so, I don't uphold this complaint. I realise this won't be the outcome Ms M wanted, so I've provided my reasoning below.

I should point out that my role here is to think about the individual circumstances of this complaint and whether Skipton did something wrong which caused Ms M or Miss M to lose out in their respective capacities. If I think Skipton did something wrong, I can then think about what – if anything – it should do to set matters right.

To help me with this, I've taken into account Ms M's detailed submissions. But if there's something I've not specifically mentioned, it isn't because I've ignored it – I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Further, I hope Ms M won't take it as a discourtesy that I've described and condensed this complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do this, and this simply reflects the informal nature of our service as a free alternative to the courts.

The crux of this complaint is around the impact of Skipton temporarily depositing the junior ISA funds in Miss M's passbook account. Ms M has raised concerns about financial regulations and about the act of removing money from an ISA without her consent. I acknowledge these concerns, but my role isn't to punish Skipton for its mistakes. Any punishment in that regard would be for the financial services' regulator to consider. My role here, as mentioned above, is to focus on the impact of Skipton's mistakes, and that is what I have done.

Skipton has accepted its involvement may have contributed to the delay in the funds being transferred from H. It also accepts it shouldn't have transferred the ISA funds into Miss M's saver. As mentioned, it has apologised, offered £250, as well as assurances that, because

the money was deposited and removed the same day, there are no tax implications with HMRC. Since my involvement in the case, it has also offered to produce a new passbook containing only the current balance of Miss M's passbook account. As mentioned, Ms M doesn't feel this is sufficient.

I can see Ms M feels very strongly about this complaint and about her requirement that any solution must prevent Miss M from seeing the value of her ISA. However, there doesn't appear to be any available solution which meets Ms M's requirements in that regard. And so, I've kept this in mind while thinking about whether Skipton has done enough to make up for the impact of its mistakes. I think it has and I'll explain why.

Whilst I understand it can be frustrating or inconvenient having to visit a branch multiple times, this does not mean that a significant compensation award is merited. In many cases, even though there has been a certain amount of inconvenience, it will not be appropriate for this service to tell a bank to pay compensation, or *further* compensation, particularly when an offer has already been made. All of us suffer some inconvenience in our day-to-day lives and in our dealings with commercial organisations, particularly where we act on behalf of others. My role here is to consider the total compensation offered *in the round*, and, given what I've said above, I've not been presented with any information which persuades me the impact to Ms M in her capacity as trustee warrants further compensation.

I've considered the impact of Skipton's mistakes on Miss M, but I don't think detriment has been caused by Skipton here. I note Ms M's comments around being left with no choice but to restrict Miss M's use of the passbook saver account, but this isn't the same as Miss M being prevented from using the account *by Skipton*. I understand why Ms M wanted to keep the ISA and its funds a secret from Ms M, but I think other ways of mitigating the risk of Miss M discovering her ISA, while continuing to use the passbook account, were available. But even if its use had led to Miss M becoming aware of the funds, I'm not persuaded this knowledge would have caused Miss M distress. I say this as I generally think it's unlikely that any individual, upon learning they will be receiving a large sum of money, would find that knowledge distressing.

Turning to the letters sent to Ms M and Miss M, I haven't identified any correspondence directly addressed to Miss M which discussed her ISA. I don't think Skipton did anything wrong in the way it addressed its letters. They were correctly addressed, with Ms M showing as the individual they were intended to be received by.

Given the contents of the letters provided by Ms M didn't show an addressee, I'd find it unlikely that a transparent window was used. Because any transparent window would have relied on the address being printed inside (which it wasn't), the address would have needed to be printed somewhere on the envelope, removing the need for a transparent window. In any case, I've seen no evidence which persuades me that correspondence was incorrectly addressed. I therefore can't agree that Skipton was responsible for Miss M discovering she had a junior ISA.

Further, while I note Ms M's concerns around edited address lines of the documents she was sent in her data subject access request, I think this was likely a product of the data subject access request itself. That aside, as I've seen the full copies of these letters, with no data redacted, I haven't found Ms M's concerns to have any material impact on my decision.

Based on my findings above, I think if Skipton's failings caused any impact to the complainants in this case, it was impact to Ms M. I've therefore thought about an appropriate level of compensation based on the distress and inconvenience Ms M reports, but also what I think is reasonable in the circumstances. Ms M has talked about the difficulties she has faced in transferring money in Miss M's accounts to Skipton, but I'm mindful that nothing has

happened to the money itself; it is still available and earning interest at the rate agreed with Skipton. And while I note her disappointment at the account no longer being a surprise to Miss M, for the reasons I've explained above, I'm not persuaded this was caused by a mistake on Skipton's part.

Given I've already explored solutions with Skipton, and Ms M has rejected the offer of a new passbook, I won't direct Skipton to provide this as a resolution to this complaint. I appreciate Ms M doesn't feel a new passbook would be helpful, but I will leave it to her to decide whether, on reflection, she now feels able to accept this from Skipton. If she does, she should contact Skipton directly. Either way, my decision now completes our service's consideration of this complaint.

My final decision

My final decision is I do not uphold this complaint.

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

James Akehurst
Ombudsman