

The complaint

Mrs M complains about a penalty charge she incurred when she moved her ISA from another provider to Nationwide Building Society.

What happened

In April 2025 Mrs M applied to transfer her cash ISA with another provider to Nationwide. The ISA transfer request was completed in a Nationwide branch where Mrs M presented paperwork relating to her existing ISA.

Mrs M thought she had a few weeks left of her existing ISA term, when in fact her existing ISA wasn't due to mature until 2026. Mrs M says the adviser at Nationwide should've noticed this but didn't and she ended up incurring a fee of £458.11 from the originating provider. Mrs M said the advisor also incorrectly told her she would get a better interest rate with Nationwide and mentioned a 14-day cooling off period.

After incurring the unexpected fee, Mrs M contacted Nationwide to reverse the transfer as she thought she was still within the 14-day cooling off period. Nationwide then contacted Mrs M's originating provider and asked it whether it would reverse the transfer. The originating provider declined to do so, saying it had already closed the ISA account. Nationwide explained it couldn't do anything further.

Mrs M complained to Nationwide about what had happened. She was unhappy that: the advisor didn't read the paperwork and identify that the ISA wasn't due to mature until 2026; that she was given incorrect information by the advisor about the interest rate comparative to the originating account; and that the advisor misled her in suggesting she had a cooling off period for this transfer.

Nationwide didn't uphold the complaint. It said its staff would only extract the information required for it to process the transfer from any paperwork provided and they wouldn't read the specific terms of an account held with another provider. It said that as part of the application process Mrs M would have been asked if she wanted to proceed and she agreed to do so. Nationwide said it's likely it told Mrs M about this cooling off period, as is standard practice when opening an account of this nature with Nationwide, but this cooling off period applied to the opening of the new Nationwide ISA and didn't apply to the transfer request from the originating ISA account.

Mrs M remained unhappy and brought her complaint to our Service. As part of her complaint, she raised the following additional concerns: the advisor proactively suggested the immediate ISA transfer to Nationwide due to the better interest rate and therefore gave her financial advice; the advisor incorrectly told her that she wouldn't be charged a fee for transferring her ISA prior to the maturity date.

Our Investigator looked into things but didn't think that Nationwide had done anything wrong. They said it was not Nationwide's responsibility to examine documents from other companies or enquire about penalty fees. They felt it fair that Nationwide had extracted the information necessary from said documents in order to effectively process the transfer

request, as per Mrs M's instructions - and Nationwide had done all it could to try and help Mrs M when she realised her mistake.

Mrs M didn't agree and so the complaint was passed to me to decide.

Nationwide consented to our Service considering the additional points Mrs M raised as part of her complaint to our Service. It also confirmed the advisor who served Mrs M in branch was experienced and provided some additional testimony from that advisor in response to the concerns Mrs M raised.

Mrs M confirmed she entered the branch to deal with a number of financial matters, one of which was the fact she was considering a possible ISA transfer to Nationwide. This is why she brought paperwork from the originating ISA account.

After reviewing things, I was minded to reach the same outcome as the Investigator but for different reasons. So, I issued a provisional decision giving both parties the opportunity to comment before a final decision was reached. In brief, I said that it was reasonable for Nationwide to rely on the information Mrs M provided about when her ISA matured. I said I wasn't persuaded Nationwide has provided inaccurate information and so I didn't think it was responsible for the fees Mrs M had incurred.

Neither Mrs M nor Nationwide had anything to add following receipt of my provisional decision. So, I'm now in a position to issue a final decision on this complaint.

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.

Where evidence is incomplete or conflicting, I have to decide what I think is more likely than not to have happened.

Everyone agrees Mrs M told Nationwide she was considering transferring her ISA as she said it was coming to the end of its fixed term. And I'm not persuaded it was the Nationwide advisor's responsibility to read the detail of the paperwork from the originator's statement to confirm the accuracy of the information Mrs M provided about when her ISA term ended. Ultimately, I think it was reasonable that the advisor relied on what Mrs M told them – namely that the ISA was due to mature within weeks.

Moving to the issue of the interest rate, the evidence I've seen indicates the correct information about Nationwide's interest rate was provided to Mrs M. But Mrs M said she was incorrectly told Nationwide was offering a better rate of interest. Given Mrs M had paperwork outlining the interest rate her originating account was currently offering and that she was clearly given accurate information about the interest rate the Nationwide ISA was offering, I am not, on balance, persuaded she was misled by Nationwide.

In saying this, I note that Mrs M was operating under the incorrect assumption her current ISA rate was about to end. I also note that based on the evidence available to me, her originating provider was not offering any ISA accounts at the same interest rate (only rates lower than Nationwide) in April 2025. So, if there was a discussion comparing interest rates, I think it's more likely than not this was comparing the rates her originating provider could currently offer compared to Nationwide's current rates – and if Mrs M was told Nationwide's current rates were better, I'm satisfied this was accurate information.

Mrs M said she also asked the advisor about early penalty charges as she thought the ISA wasn't due to mature until the end of May 2025; she says the advisor told her she wouldn't incur fees. The advisor disagrees and says that they did not say this. The advisor says they asked if Mrs M wanted to proceed immediately with the transfer or wait, as this is a standard question they are required to ask. They said Mrs M said to proceed immediately.

Having carefully considered the conflicting testimony here, I'm not persuaded an experienced member of Nationwide staff would have assured Mrs M that she would not incur fees from the originator for an early withdrawal. I say this as the staff member would have had no knowledge of the terms and conditions of the third-party bank's ISA account and it is not unusual industry practice for banks to charge for early withdrawals from fixed term ISAs. And I think it is unlikely a staff member would provide what they most likely know could be inaccurate information which would likely lead to a complaint.

And whilst it's clear Mrs M misunderstood what the 14-day cooling off period applied to – I have seen no evidence to persuade me Nationwide provided inaccurate or misleading information when it told Mrs M about this. Whilst I can see how Mrs M, hearing about the cooling off period in relation to this product, might have assumed this meant the entire transfer could be reversed, this doesn't necessarily mean Nationwide did anything wrong. I think it's more likely than not that Nationwide gave her accurate information about the 14-day cooling off period. So, I'm not persuaded Nationwide is responsible for the misunderstanding that occurred here.

Taking everything into account, I also don't think the evidence suggests Mrs M was provided with financial advice during this meeting. The evidence indicates Mrs M entered the branch already considering the transfer. And I'm satisfied Mrs M decided to proceed on the basis of the information Nationwide provided about what it could offer, which appears to have been accurate. The provision of information about its own products and service does not equate to Nationwide providing advice.

Overall, the available evidence doesn't persuade me that Nationwide acted unfairly or unreasonably here and so it follows that I am not asking it to take any further action.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 February 2026.

Jade Cunningham
Ombudsman