

## **The complaint**

Mr G complains that the Stafford Railway Building Society has imposed restrictions on how money from his Individual Savings Accounts (ISAs) can be transferred causing friction, financial burden and emotional distress.

## **What happened**

Mr G opened two ISA accounts with Stafford online – without involvement from Stafford. It sent Mr G passbooks for the accounts which Mr G destroyed because he intended to deal with the accounts entirely online.

Mr G later asked Stafford to transfer the accounts to an alternate provider to maximise interest. Stafford asked for the passbooks to be returned and, when Mr G told it that these had been destroyed, asked for a lost passbook declaration to be completed and identification which had to be certified at Mr G's own cost. Mr G was unhappy that Stafford was placing significant blocks in the way of transferring his funds and complained.

Stafford answered Mr G's complaint and said it had done nothing wrong. It reviewed the timeline of Mr G's transfer request and commented on the actions it had taken. It said the requirement to return the passbook was included in the terms and conditions and so Mr G should have been aware of the requirement. Mr G remained unhappy and so referred his complaint to the Financial Ombudsman Service where an investigator considered the merits of the complaint.

The investigator said Stafford didn't have to do anything further. They said the ISAs were taken out online without involvement from Stafford. And so, Stafford didn't provide any advice. The terms and conditions relating to the account were made available before, during, and after the accounts were set up and so the requirements were readily available to Mr S. They said it was for Stafford to decide whether or not it should issue a passbook and whether that needed to be surrendered before a transfer out could be completed. All of this was made clear in the terms and conditions, and so Stafford did nothing wrong by asking for its requirements to be followed.

Mr S disagreed with the investigator citing a number of points. These are:

- Stafford imposed an unreasonable operational barrier by insisting a passbook was surrendered prior to the ISAs being transferred and Consumer Duty requires firms to avoid unreasonable operational barriers
- ISA transfers should be completed within 15 days and because of Stafford's requirements, Mr S's transfer did not complete in this timescale
- Other providers don't issue passbooks or require them to be surrendered so Stafford's requirements are neither fair nor industry standard
- Firms must supply sufficient information to avoid undue friction

- The outcome reached is neither fair nor reasonable.

As no agreement could be reached, Mr G asked for an ombudsman's decision and so, I've reviewed the case afresh and give below my 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 appreciate that this will come as a disappointment to Mr G, but I am not upholding his complaint.

It's not in dispute that Mr G applied for and set up the ISAs online. Both he and Stafford have referenced this in their submissions. In the terms and conditions applicable to the accounts, Term 10 is headed Transferring your Cash ISA to another provider and point 10.3 says

You must:

(a) provide to us your Cash ISA account passbook

(b) complete a transfer application with your new provider who will send the transfer application to us.

Within 5 working days of receiving the transfer application from your new provider and your passbook, we will send your money and information to your new provider. It should take no more than 15 working days to transfer a cash ISA. Any delays in receiving your passbook or discrepancies on your account including personal information may reset the timing of this process to zero.

I don't think Stafford withheld any information relating to what was required to transfer the ISAs. Mr G says other firms don't issue passbooks. And so, the requirement to send them back isn't there. That's true. But Stafford has chosen to issue a passbook and ask for it to be returned if the account is transferred. It's entitled to do this, and the fact that other firms act differently and have different terms and conditions doesn't mean Stafford should have to change its procedures. Mr G had all the information available to him before he took the accounts out and decided to proceed. Just as he decided to destroy the passbook when he received it. He made the choice to invest with Stafford and so accepted he had to abide by the terms and conditions set by Stafford. If he didn't want to do that, he could have chosen a different provider.

I don't think issuing a passbook and asking for it to be returned when the account transfers constitutes an unreasonable barrier or adds undue friction to the transaction. As I've said before, Mr G knew what would be required to make a transfer and so should be prepared to abide by the terms and conditions.

I agree the transfer wasn't made within 15 days. But that's because Mr G didn't give Stafford the information he was asked to. Again, the terms and conditions say:

"It should take no more than 15 working days to transfer a cash ISA. Any delays in receiving your passbook or discrepancies on your account including personal information may reset the timing of this process to zero."

Mr G didn't do what Stafford required and so couldn't complete the transfer. As the terms and conditions say, the timing was reset to zero. The delay was solely attributable to Mr G

and so Stafford isn't required to give any form of compensation.

Given all of the above, I don't find that Stafford's terms and conditions are unreasonable and that asking Mr G to abide by them is treating him unfairly.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint

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

Stephen Farmer  
**Ombudsman**