

The complaint

Mr S complains Nationwide Building Society won't re-open his Individual Savings Account ("ISA") after his new provider incorrectly requested a full transfer – which meant his Nationwide ISA was closed.

Mr S has been represented by his son, Mr B, but for ease I'll refer to Mr S throughout – unless specified.

What happened

In May 2024, Nationwide received a full transfer request of Mr S's ISA to a new provider. In line with the instructions received, the full balance was transferred to the new provider and Mr S's ISA with Nationwide was closed.

Mr S contacted Nationwide in June 2024 as he had only requested a partial transfer to the new provider and was unhappy Nationwide had closed his account. Nationwide told Mr S to raise his concerns with the new provider, as they had made the request. Nationwide initially told Mr S it may be possible to re-open the account. However, Mr S was later told this wouldn't be possible and the specific ISA Mr S held, was no longer available. Dissatisfied with their response, Mr S raised a complaint.

Nationwide reviewed the complaint and maintained that no error had been made with the transfer of Mr S's ISA balance and closure of the account. However, they recognised Mr S had been told incorrect information when he was advised it may be possible to re-open his old ISA. For the incorrect information and any distress this may have caused, Nationwide paid Mr S £125 compensation.

After asking Nationwide for some additional information, I reviewed the complaint and issued a provisional decision. I've reproduced the findings from my provisional decision below.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Overall, the new ISA provider has accepted they made the error in requesting a full transfer of Mr S's ISA balance and the corrective action they need to take is being looked at in a separate complaint brought by Mr S.

Regarding this complaint, I need to consider if Nationwide have made an error and if so – whether they've done enough to put things right.

Ultimately, I'm satisfied Nationwide fairly followed the transfer request they received and acted reasonably in closing Mr S's ISA when the transfer was completed. This is a normal process in those circumstances. And I wouldn't have expected Nationwide to verify anything or speak with Mr S further about the request as the new provider had seemingly provided relevant authority.

I appreciate Mr B, on behalf of Mr S, has referenced various regulations and rules that he

considers are relevant to his father's complaint and situation, However, having carefully considered what he's raised I'm not satisfied these apply to the situation Mr S found himself in.

I understand Mr S has requested for his specific account to be re-opened, so that he can transfer back the portion of his ISA that he'd always intended on leaving in that account. However, Nationwide explained the particular account that Mr S held is no longer available and it's not possible to re-open it.

However, upon reviewing this complaint, I asked Nationwide to confirm whether it was possible for Mr S to have the old type of ISA he used to hold. As whilst I appreciate Nationwide hadn't made an error in processing the transfer and closing the account – Mr S also wasn't at fault here. Nationwide responded and explained that the account type that Mr S used to hold has been renamed as a different ISA and that this ISA can still be applied for and opened in branch.

I'm not sure why this wasn't explained to Mr S sooner, as I think it would have saved him a lot of back and forth between both Nationwide and his new provider and could have avoided a lot of distress. It appears Nationwide were focussed on that they had followed the request received rather than looking at steps to help their customer.

So, whilst I appreciate it won't be the exact same account or account details that Mr S will be able to re-open – I'm satisfied it appears that the type of ISA Mr S wants is available for him to apply for, if he wishes to do so in branch.

Compensation

Nationwide have recognised they gave Mr S false hope initially and incorrectly advised that his old ISA could possibly be re-opened. And I acknowledge they've already paid Mr S £125 compensation for this.

However, from the calls I've listened to, Mr B called up and seemingly chased Nationwide several times on behalf of his father to understand if there was a possibility that the account could be re-opened, seemingly with no follow up responses from the back-office requests submitted by the advisers he spoke to. And given the above clarity that we've only now received on the types of ISA that are available to Mr S in branch, I believe further compensation is warranted in this case.

So, I'm currently minded to instruct Nationwide to pay an additional £125 compensation to that already paid. This would bring the total level of compensation to £250 which I'm satisfied would be fair considering the distress and inconvenience caused to Mr S and considering the length of time this matter has taken and that other options and explanations weren't given to Mr S sooner.

Nationwide responded to my provisional decision and accepted my findings. Mr B on behalf of Mr S responded and in summary, considered that the level of compensation should be higher given how long this matter has taken. He also explained he had been into branch to discuss the new account but was advised the branch staff needed to hear from Nationwide's complaints team.

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've carefully considered Mr B's further comments in response to my provisional decision, but I've not been presented with any new evidence or arguments that have persuaded me to depart from the conclusions I previously reached. I appreciate this wasn't the full outcome Mr S was hoping for – but I've addressed what I consider are the key points raised in response to my provisional decision below.

I appreciate Mr B's comments surrounding the length of time this matter has taken to resolve and that different available ISAs could have been discussed with Mr S sooner. However, I've already taken this into account when considering how Nationwide should put things right.

Mr B has explained to our service he's been into branch to discuss applying for a new ISA for his father, but he hadn't taken a copy of the provisional decision into branch with him at the time. As outlined in my provisional decision – Nationwide have advised there is an ISA that Mr S can apply for in branch, which is like the product he previously held, albeit branded under a different name. Nationwide can't re-open the exact account Mr S held previously, but I'm satisfied Nationwide have explained the type of ISA Mr S appears to want, can be applied for in branch.

In summary, whilst I recognise Nationwide didn't make an error in transferring the funds and closing Mr S's ISA, I consider the customer service and conflicting messages he's received after the fact, have caused him unnecessary distress and inconvenience. And I've taken this all into account when considering the appropriate level of compensation Nationwide should pay to put things right.

My final decision

My final decision is that I uphold this complaint in part and instruct Nationwide Building Society to pay Mr S a further £125 compensation, in addition to the £125 compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 November 2025.

Laura Davies
Ombudsman