

The complaint

Mrs H complains that Yorkshire Building Society (YBS) changed her Individual Savings Account (ISA) into a savings account without her permission and she lost interest.

What happened

In this complaint Mrs H is represented by her husband, Mr H. However, for ease of reference I have generally just referred to Mrs H in this decision. Mrs H said YBS couldn't provide proof that she had signed agreement for her ISA to be changed, Mrs H said she only discovered this when she received a letter about it from the new provider. She would like the difference paid on the interest and compensation. Mrs H said her personal data was given to the new provider without her consent.

In its response to the complaint, YBS said Mrs H initially wanted to open an ISA with another provider and completed an ISA Transfer out from YBS. However, when the other provider didn't send the correct forms she decided not to proceed.

YBS said Mrs H went to a branch on 20 March 2025, signed the withdrawal form, and closed their ISA account. YBS' notes record that Mrs H was asked and confirmed that she was happy to continue even though she would lose her tax-free status by transferring funds to a non-ISA account. YBS said the funds were then transferred to an account with the new provider.

YBS said its member of staff at the branch carried out the correct care and due diligence to ensure Mrs H was aware of the type of transfer she was about to complete and the implications, and provided her with its 'Scam Leaflet'.

Mrs H said YBS had got their facts wrong, saying there should be two forms with signatures to complete the transfer of the account. However, she said there was only one which meant the transaction shouldn't have gone through. She said this has been confirmed by her new account provider.

Mrs H referred her complaint to our service. Our investigator didn't recommend the complaint be upheld. She said Mrs H opened a fixed rate ISA with YBS in January 2023 and two years later YBS sent her a maturity letter confirming the available options. She said that on 20 March 2025, Mr H and Mrs H visited a branch of YBS and arranged to close her ISA account and transfer the funds to a non-ISA account with another provider in Mr H's name.

The investigator said YBS provided evidence of a discussion where Mrs H was informed she would lose the ISA tax-free status for her funds and they couldn't be put back into her ISA without affecting the annual ISA limit. YBS said they mentioned scams and checked with Mrs H that she was happy to go ahead with the transfer. Mrs H confirmed this by clicking the 'YES' button on the system. The investigator said that YBS had made no mistakes.

Mr H said he didn't agree with this outcome and requested an ombudsman review Mrs H's complaint. He said she did not sign the withdrawal slip.

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.

Mr H said that YBS is unable to provide proof that Mrs H signed agreement to change her ISA account. They said two forms are required for this change and YBS has only produced one form.

I sympathise with Mrs H for discovering that her ISA with YBS had been transferred to a new provider. But I agree with YBS and the investigator that there is clear evidence that Mrs H instructed YBS to make the transfer of her ISA account. I will explain my reasons for not upholding this complaint.

Mr H said that Mrs H did not sign the agreement and didn't want to withdraw the funds. That may have been Mrs H's intention, and YBS received a call from Mrs H to that effect. However, YBS have provided evidence showing that later the same month as Mrs H's call she visited its branch and signed a withdrawal voucher. The withdrawal voucher confirms the transfer of a named sum from Mrs H's ISA account (number provided), and this was transferred to an account in the name of Mr H with another provider.

I have looked at the signatures on the withdrawal voucher and the original ISA application form from 2023 and they match. Based on this evidence it appears that Mrs H signed the withdrawal voucher confirming the transfer of the funds.

The records held by YBS show that its member of staff informed Mrs H of the consequence of the closure of her ISA in that she would lose the ISA tax-free status for her funds and she couldn't put them back into her ISA without affecting her annual ISA limit.

The YBS member of staff asked Mrs H if she was happy to go ahead with the transaction and Mrs H confirmed this by clicking the 'YES' button on the system and signing the withdrawal voucher. The transfer of the account took place as confirmed by the letter to Mrs H from the other (new) ISA provider.

I think it's likely this new provider also holds Mrs H's signed authority for the new account. There was no loss or mishandling of Mrs H's data that I have seen as Mrs H provided the details of the account the funds should be transferred to and signed the faster payment withdrawal slip with her account details to the new ISA provider.

In conclusion, I can see that Mr H and Mrs H are unhappy that the transfer of funds took place away from Mrs H's ISA, however I haven't found that YBS made any mistake in transferring the money. YBS completed the process of transferring Mrs H's ISA correctly and in accordance with her instructions following advice she would lose the ISA tax free status. YBS has also acted in accordance with the terms and conditions of Mrs H's account. And consequently, I think that YBS has treated Mrs H fairly in its handling of her ISA.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 23 February 2026.

Andrew Fraser
Ombudsman