

The complaint

Mr D complains about a delay in transferring his cash ISA with Paragon Bank Plc to a new provider.

What happened

Mr D had a cash ISA with Paragon which he wanted to transfer to a new provider. On 24 April 2025 he instructed his new ISA provider, which I'll call M, to begin an ISA transfer from Paragon.

On 25 April Paragon accepted the transfer request. It also sent a "ready to send?" request to M. It received M's response saying it was ready for the money to be sent on 23 May, and the ISA transfer was completed on 27 May.

Mr D complained to both Paragon and M about the time the transfer took. He said that, under cash ISA transfer guidelines, Paragon should have told both him and M on 1 May that it wouldn't be able to complete the transfer within five business days, but it didn't do so. If it had, he said he would have realised there was a problem much sooner and could have chased M up earlier.

Paragon said it hadn't caused the delay, because it didn't receive confirmation from M that M was ready to receive the money until 23 May, and it couldn't proceed with the transfer without that confirmation. It accepted that it had wrongly told Mr D on 14 May that it hadn't received the transfer request, but it had apologised and given him the right information on 15 May.

Mr D referred his complaint to us. He accepted that M was principally responsible for the delay but said that Paragon had failed to keep him informed as it should have done.

Our Investigator didn't recommend that the complaint should be upheld. Mr D didn't accept that. He still thought Paragon should have chased up the transfer when five days had elapsed after it had asked M if M was ready for the money to be sent, and it should have let him know about the delay. He wants Paragon to acknowledge its mistake.

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.

Transfers between cash ISAs should take no longer than 15 working days. Mr D's transfer took longer than that. M has accepted responsibility for the delay. It has said there was a "technical error" during Mr D's ISA transfer, as a result of which Paragon wasn't notified that M was ready to receive the money. M has apologised and paid Mr D the interest he lost out on, as well as £75 compensation.

Mr D's complaint about Paragon is that it too played a part in the delay, because it should have told him and M when it didn't receive a response from M to the "ready to send?"

message it sent to M on 25 April. Had Paragon communicated instead of simply waiting for M, Mr D says he could have chased up the transfer and got it moving again – as he did in mid-May when he found out that there was a problem. He has pointed to the Cash ISA to Cash ISA Transfer Guidelines, which set out best practice.

The relevant part of the guidelines says:

Step	Action	Timescale	Max. no. of days
2	<p>Production of Transfer History Form and Payment:</p> <p>For paper this includes the production and despatch of the cheque together with the Cash ISA Transfer History Form.</p> <p>For electronic this includes the initiation of the electronic payment following receipt of the “Acceptance of Transfer” and “Ready for Payment” message from the New Party.</p>	<p>The maximum timeframe for actioning Step 2 should be 5 working days, where day 1 is the first day the request is received in the organisation.</p> <p>First class post or equivalent should be used.</p> <p>As soon as the old ISA provider recognises that a delay beyond 5 working days is likely to occur, (pended cases excepted) it is their responsibility to notify the new ISA provider and the customer of the reasons for the delay and a likely timetable for resolution.</p>	5

Mr D’s transfer was electronic and was not a “pended case”.

Paragon says that step 2 in the process I’ve reproduced above relates to the production of the ISA transfer history form and payment, and that it wasn’t required to notify either Mr D or M of any delay until it received the “Ready for Payment” message from the New Party, M. It received that on 23 May and completed the transfer within five business days of receipt.

Mr M disagrees. He says step 2 began when Paragon accepted the transfer request on 25 April, there were five business days for step 2 to be completed, and Paragon should have identified on 1 May that there was a delay.

I think Paragon is right, based on the drafting of the relevant part of the process. Paragon didn’t receive the “Ready for Payment” message from the New Party (M) until 23 May. Following receipt of that message it then completed the transfer within five business days, as set out in the guidelines.

Even if I’m wrong about that, while the guidelines are intended to encourage the quick and efficient completion of cash ISA transfers, they’re recommendations only and are not prescriptive. Unfortunately Mr D’s transfer wasn’t completed quickly and efficiently – but M has accepted responsibility for that and compensated Mr D for the interest he lost as well as

for the inconvenience he was put to. And the Financial Ombudsman Service isn't a regulator, so it's not for me to tell Paragon how it must operate in future. My role is to decide how complaints should fairly and reasonably be resolved on their individual merits. The primary means open to me to do that where something has gone wrong is to make a monetary award.

Here, I can see that Mr D was caused some avoidable inconvenience and frustration because the transfer didn't go as smoothly as he expected – but, for the reasons I've explained, I don't think I can fairly attribute that to Paragon. Paragon has nevertheless paid him £50 for his time and inconvenience, and I don't consider I can fairly require it to do any more than that.

I realise that this is a matter of principle for Mr D and he wants an apology and acknowledgment of where Paragon got things wrong rather than financial compensation. But I don't consider there are grounds on which I can fairly require Paragon to give him that in the circumstances of this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 February 2026.

Janet Millington
Ombudsman