

The complaint

Mr M complains about Trading 212 UK Limited's (Trading 212) handling of his individual savings account (ISA) transfer.

What happened

Mr M held an ISA with Trading 212.

He requested a transfer to another bank, which I'll refer to as P. P then asked Trading 212 to transfer Mr M's funds on 18 August 2025.

Trading 212 actioned the request on 20 August 2025 and released Mr M's funds (£2,818.01) to P that day by electronic payment.

A couple of days later, Mr M contacted Trading 212 to highlight that his funds hadn't been received into his account with P. Trading 212 confirmed it had sent the payment to P and initially suggested it would be received within 3 to 5 business days or sooner. It also suggested Mr M could contact P directly if he wished to.

Mr M questioned by what method the payments had been sent and suggested that Trading 212 might need to do a payment trace and contact P to find out what happened.

He also lodged a complaint with Trading 212.

On 23 August 2025 Mr M asked Trading 212 to confirm the payment reference it had used. And he pointed out that if it hadn't used the right prefix, then P wouldn't be able to link the funds to his account, and they'd have gone into P's suspense account. Trading 212 confirmed it hadn't used the right reference number to Mr M and to P on 25 August 2025.

Trading 212 responded to the complaint on 2 September 2025 and explained the background to the problem. Whilst it recognised there had been a "*small and unfortunate*" delay, which Mr M may have found unsettling, it was satisfied that the transfer would still be completed within HMRC guidelines – within 15 working days. It said it remained in touch with P to ensure that the transfer went ahead as quickly as possible. And as it was satisfied that there had been no breach of regulatory guidelines, it said no compensation was payable.

Mr M wasn't happy with Trading 212's response, so he complained to the Financial Ombudsman Service. His complaint was assigned to one of our Investigators. Whilst accepting that Trading 212 had made an error, the Investigator was satisfied that it took accountability for it. So, she didn't think Trading 212 needed to take any further action.

Mr M didn't agree with our Investigator. In particular, he pointed out that his funds lost out on interest because of Trading 212's mistake. He asked an Ombudsman to consider the matter afresh. The complaint has been passed to me to decide.

My provisional decision

I sent Trading 212 and Mr M my provisional decision on 20 November 2025. I've included the relevant extracts below.

"I'm intending to reach a different outcome to our Investigator. I'm provisionally minded to uphold this complaint. I'll explain why.

There's no dispute that Trading 212 made a mistake. But there is a dispute about what needs to be done to put things right. Notwithstanding its mistake, Trading 212 seems to be suggesting that as the transfer would still complete within HMRC's guideline of 15 working days, it doesn't need to do anything else. I disagree.

I accept that Trading 212 may typically aim to complete transfers within an overall period of 15 working days. But the fact is that had it not been for its failure to include the right reference number in Mr M's particular case, the transfer would likely have completed on the day it was processed – 20 August 2025. And, it seems likely Mr M's funds would have started earning interest with P immediately. So, I think Mr M makes a reasonable point when he says that he's lost out on interest as a result of Trading 212's mistake. And I'm not persuaded it's reasonable to expect Mr M to bear that loss.

So, to put things right, I'm intending to direct Trading 212 to find out from P how much interest Mr M's funds would have earned had they been deposited as expected on 20 August 2025 until the day before they started earning interest in his account with P. It should pay that sum to Mr M.

Further, Trading 212's responses suggested that it took the lead in contacting P and Mr M about what happened. From the evidence I've seen – specifically Mr M's online chats with Trading 212 - I'm not persuaded that's the case. Mr M was clearly proactive in telling Trading 212 about the problem. And he also questioned whether there might have been an omission concerning the reference number used. I'm satisfied, on balance, that it was Mr M's efforts that likely then enabled Trading 212 to contact P in the way it did. And this no doubt helped Trading 212 to rectify the problem. I'm satisfied having to chase this up would have caused Mr M some inconvenience. Further, I think it would have been concerning for him not to know what had happen to his funds for a period, especially when Trading 212 was adamant it had sent them to P. To recognise the impact of Trading 212's shortcomings here, I'm intending to direct Trading 212 UK Limited to pay Mr M compensation of £50. I'm satisfied a payment at that level recognises the inconvenience and worry Mr M likely suffered over a few days”.

Responses to my provisional decision

Mr M accepted my provisional decision.

Trading 212 said it was willing to settle the complaint by paying the redress I provisionally directed. However, it said it also had some “reservations” that it wanted me to take account of. Those included:

- Notwithstanding its error concerning the reference number, it still completed the transfer within HMRC's guideline of 15 days. It pointed out that this framework exists to allow for the processing required by the various providers involved in a transfer. Trading 212 feels I'm imposing a higher standard compared to HMRC's guidelines.
- I'd made an assumption that if it had used the correct reference number the transfer would have completed the same day and would immediately have begun earning interest. It felt this was “speculative” and again didn't account for the procedures that providers were required to follow. It added that any interest obligations only start once the receiving provider has completed their own internal processing.

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 don't disagree that HMRC's guideline for transfers to be completed within 15 days is likely intended to allow providers time to complete the necessary steps involved. But, in my

opinion, even allowing for those steps, it doesn't mean a transfer should take 15 days when it can be completed much sooner.

Again, in this particular case, I accept that Trading 212 completed the transfer within 15 days. But I remain of the opinion that had it not been for its failure to include the right reference number, the transfer would likely have completed on the day it was processed – 20 August 2025.

Trading 212 has also suggested that it's speculative of me to suggest that Mr M's ISA would have started earning interest immediately as that didn't allow for the procedures the receiving provider needed to complete.

In my provisional decision I said that "*it seems likely* (my emphasis) *Mr M's funds would have started earning interest with P immediately*". But even if that wasn't the case, I'm satisfied that the redress methodology I provisionally directed (which Trading 212 appears to have accepted) would broadly account for this.

I said "*I'm intending to direct Trading 212 to find out from P how much interest Mr M's funds would have earned had they been deposited as expected on 20 August 2025 until the day before they started earning interest in his account with P*". Therefore, even if there was a short delay whilst P completed its action (I've seen no persuasive evidence suggesting that's the case) that's something that P can confirm to Trading 212 when explaining how much interest Mr M's account would have earned had the transfer process been smoother. Given this, I see no reason to change what I said in my provisional decision.

Putting things right

I now direct Trading 212 UK Limited to:

- Find out from P how much interest Mr M's funds would have earned had they been deposited as expected on 20 August 2025 until the day before they started earning interest in his account with P. It should pay that sum to Mr M.
- Pay Mr M compensation of £50 to recognise the worry and inconvenience he suffered as a result of its shortcomings.

My final decision

I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 January 2026.

Amanda Scott
Ombudsman