

## **The complaint**

Ms H has complained about the delay in transferring an Individual Savings Account (ISA) to Aldermore Bank Plc (“Aldermore”).

## **What happened**

On 15 March 2025, Ms H applied to transfer a Cash ISA to Aldermore. Aldermore received this on the 18 March 2025 and sent the transfer instruction to Ms H’s existing ISA provider on 19 March 2025.

As the existing provider had not actioned the transfer request, Aldermore sent another transfer request on 10 April 2025, but this was also not actioned by the existing ISA provider.

Because Ms H’s existing ISA provider had not acted on the two transfer requests, Aldermore contacted Ms H’s existing ISA provider on the 24 April 2025, to ask why the requests were not being actioned. During this call it was confirmed that the existing ISA provider had received the requests, but it was experiencing technical difficulties. Because of this, it asked Aldermore to manually request the transfer via email. Aldermore sent an ISA transfer request by email on the same day.

On the 28 April 2025, Ms H’s existing ISA provider rejected the ISA transfer request. This was because it said it was unable to locate the account, due to two extra digits being included in the account number in the transfer request. Ms H’s existing ISA provider eventually processed the request on the 29 April 2025 and sent a cheque to Aldermore. The ISA transfer was subsequently completed.

Ms H complained to Aldermore a number of times throughout the process. Aldermore issued responses on 12 May 2025, 24 May 2025, 25 June 2025 and 15 July 2025 and upheld the complaint.

In its initial response, Aldermore explained that the delays in transferring the ISA were caused by Ms H’s existing ISA provider. Aldermore confirmed that the interest on her ISA was backdated to 8 April 2025. Aldermore acknowledged that there were times when it had not responded to all of Ms H’s points, so paid her £50 for the distress and inconvenience caused.

In its response issued on 24 May 2025, Aldermore acknowledged it had not applied one day’s worth of interest on 1 May 2025, so agreed to credit that amount of interest into Ms H’s ISA and explained that it will be added within 5 working days. Aldermore also paid Ms H another £50 to apologise for the service she received.

In its follow up response sent in June 2025, Aldermore confirmed that it had said to Ms H’s existing ISA provider that it would backdate interest from the 16<sup>th</sup> business day from 19 March 2025. Aldermore also confirmed it would send a copy of the call to Ms H.

In its July 2025 response, Aldermore acknowledged that there was a delay in sending a transcript of the conversation. Aldermore explained that it had accepted a cheque payment

(to transfer Ms H's ISA balance), because the two attempts it had made to transfer the funds electronically had failed. It explained that the cheque took 6 working days to clear, so the money was available to withdraw from 9 May 2025. Aldermore also confirmed that it had told Ms H's previous ISA provider that it would backdate interest to 16 business days after the ISA transfer request had been received. Aldermore paid Ms H a further £50 for the delay in responding to her information request.

As Ms H remained unhappy with the outcome of her complaint she referred her complaint to this service. One of our investigators assessed the complaint and they thought that what Aldermore had already done to put things right was fair, so they didn't think Aldermore needed to do anything further to put things right.

As Ms H didn't accept the investigator's conclusions, the matter was referred for an ombudsman's 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.

Having reviewed everything, I don't think Aldermore needs to do anything further to put things right for Ms H, for broadly the same reasons that the investigator gave. I will explain why.

It's not in doubt that Ms H's ISA transfer request didn't go as smoothly as it should've done. So, all that is left for me to consider is whether Aldermore has already done enough to put things right for Ms H or whether I think it needs to do more. And overall, I think it has taken reasonable steps to put things right for Ms H.

It's clear that the ISA transfer delay was caused by issues affecting Ms H's existing ISA provider's systems. But, despite these difficulties, I think Aldermore took reasonable steps to ensure that the transfer could be completed. This included resubmitting the transfer request and also calling Ms H's existing ISA provider, when the second transfer request had also not been actioned.

Ms H is unhappy that, when the ISA transfer did eventually go through, the funds were transferred by cheque. As two attempts to transfer the funds electronically had already failed, I think it was reasonable that an alternative method was used, when the third transfer request was issued. In the circumstances, I think the use of a cheque was a reasonable method to transfer the funds. And, Aldermore's terms and conditions regarding the transfer of Cash ISAs say that it can accept a cheque - where an electronic transfer of funds is not possible.

Ms H says that cheques take two days to clear, and says Aldermore took too long in processing the cheque payment. Indeed, I can see that Ms H had asked Aldermore why her balance was still showing as zero, in the days after the cheque had been paid in.

In response to this point, I think it may help to explain that cheques can take up to six working days to clear – with the date the cheque is received as being day zero - which is how long the cheque took to clear in this case. Nevertheless, I can see that, when Ms H asked Aldermore why her balance was still showing as zero, Aldermore explained (on 4 May 2025) that it will take a few days for the balance to be updated due to the cheque clearing process.

Furthermore, I can see that Aldermore agreed to backdate interest on the proceeds of the cheque to well before the cheque had even been received. And it appears that Ms H did not go on to close the Aldermore ISA until July 2025. So, I don't think Ms H incurred a loss of interest, due to the use of a cheque being used to transfer her ISA funds, even if she was unable to immediately access the funds.

Ms H is unhappy that Aldermore only backdated her interest to 8 April 2025. Ms H has provided industry guidance regarding the transfer of ISAs. Ms H has also said that the interest provided by Aldermore is not correct. Having considered Ms H's comments, alongside the evidence that she provided and the interest calculations that Aldermore has provided, I think that Aldermore has backdated the interest on Ms H's ISA fairly and in line with the industry guidance regarding the transfer of ISAs. I can also see that one day's worth of interest (for 1 May 2025) at a rate of 4.4% was paid to Ms H. That interest payment is recorded on the redress spreadsheet on 2 June 2025.

So, in summary, I accept that the ISA transfer didn't go smoothly. But I'm satisfied that Aldermore took reasonable steps to ensure the transfer was completed, despite the existing ISA provider not actioning the transfer requests. Aldermore backdated the interest on Ms H's ISA to ensure she was not unfairly deprived of earning interest on her money. I'm also satisfied that the method Aldermore took to calculate the interest owed to Ms H was fair and reasonable.

I can see that this matter was inconvenient for Ms H – particularly given how long it took for matters to get resolved. But I think the total compensation that Aldermore has already paid Ms H for the distress and inconvenience that she experienced from the transfer of her ISA, is reasonable. So, I don't think additional compensation is warranted here.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 5 March 2026.

Thomas White  
**Ombudsman**