

The complaint

Mr P is unhappy with the guidance provided by Vanquis Bank Limited (Vanquis) when he attempted to transfer funds into his Cash ISA. He is also unhappy with the customer service provided.

What happened

Shortly before the end of the 2024-2025 tax year, Mr P attempted to transfer £20,000 into an ISA he had recently set up with Vanquis. He used the instructions that Vanquis had provided via letter, in order to do so, but upon entering the name of the beneficiary, the transaction was flagged by the sending bank as being incorrect. He was informed by the third-party bank that if he was to proceed, his money was at risk. He continued his transfer with the corrected name the third-party bank suggested.

Following this, the letter from Vanquis instructed him to use his account number and Surname as the reference. However, the field only allowed 18 characters, so Mr P didn't have room to input all of the characters required. Mr P therefore wasn't able to comply with the instructions.

Mr P then reviewed Vanquis' FAQ's on its website but was alarmed to see that a third variation of the beneficiary's name was given. This added further confusion to the situation. He attempted to call Vanquis to discuss the situation several times but wasn't able to speak to anyone due to high call levels.

Mr P decided to transfer his funds to a different provider due to the issues he had had. He was concerned that he may lose his money if he was to continue attempting to transfer the money to his Vanquis account. He complained to Vanquis about the issues and it accepted that the service had been poor and offered him £75 in recognition of the time and inconvenience he had encountered. Mr P said that he wasn't satisfied that his complaint was being taken seriously and felt that he and many others in the same situation, were risking any transfers they attempted due to the confusing and inaccurate information that was being provided by Vanquis.

Mr P brought his complaint to us, stating that in addition to the noted issues, he had also been passed from staff member to staff member and that no meaningful resolution was offered. This added to his frustrations.

One of our investigators reviewed his concerns and agreed that Vanquis could have done more in the situation. She suggested Vanquis' offer to be increased. Vanquis agreed to increase the offer to £150. Our investigator thought this was a fair level of compensation to reflect the poor service provided and the impact this had had on Mr P.

Mr P remained unhappy. He felt that more compensation should be awarded as he could have lost £20,000 as a result of the errors Vanquis had made.

As a resolution could not be reached, the complaint was passed to me to make a final 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 done so, I have come to the same overall conclusion as the investigator, for broadly the same reasons.

I appreciate how strongly Mr P feels about this complaint. He has raised a number of points and although I may not mention every point raised, I've considered everything he has said but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this. It just reflects the informal nature of our service.

Firstly, I would like to acknowledge the stress and inconvenience these issues must have caused Mr P, especially as it was near to the financial year end and he wanted to ensure his funds were transferred promptly to ensure they benefitted from the ISA tax wrapper. He was rightly concerned that if he continued with the transfer, he may have lost his money. I'm pleased to see that this didn't happen though and that he was able to transfer to a different ISA provider.

Having reviewed all of the evidence on the file, I agree that the instructions from Vanquis were confusing and understand why Mr P felt he couldn't proceed with the transfer. He had valid concerns with both the beneficiary name and the reference that was required. The situation was further confused by Mr P being made aware of a potential third option for the beneficiary name from the FAQ page on Vanquis' website.

Mr P says that when he then attempted to discuss the matter over the phone on numerous occasions, he wasn't able to speak to anyone in a timely manner. He arranged to have a call back when it was offered but unfortunately was out when the return call came through. When he did raise concerns with what had gone on, he was passed to multiple staff members and he had to keep repeating himself. I can understand Mr P's frustration here, he was under a time constraint to administer the transfer and he felt his concerns were being pushed aside.

Mr P has mentioned that his £20,000 was at risk of being lost and that others are likely to be in a similar situation. As the investigator has explained however, our remit doesn't allow us to consider what potentially may have happened or what may happen to other consumers, so while I understand his concerns, I have to base my findings on the facts of what actually happened to Mr P directly.

Mr P also raised concerns about Vanquis' banking protocols and security standards. Again, our remit only allows us to look into the individual circumstances regarding Mr P's complaint against Vanquis. We are not the regulators, – that's the role of the Financial Conduct Authority (FCA), and we don't have the power to tell a business to change its processes. We look into whether a business has done something wrong and, if so, we take steps to tell the business how to put things right in those individual circumstances.

Having reviewed everything on the file, I agree that Vanquis hasn't handled things as well as it could have. But I am satisfied that £150 is within the range of compensation we would award for the issues Mr P has encountered. There was short-term impact due to what had happened but, from what I can see, ultimately, no wider or lasting impact, which led to financial loss or any prolonged inconvenience.

Vanquis has informed us that it plans to use the feedback provided by Mr P to help streamline its approach to ISA transfers going forward, which I think is a good idea. It has suggested it will update the transfer instructions to ensure it is clearer for consumers to send

funds to an ISA, including reducing the reference to just the account number.

My final decision

Vanquis Bank Limited should pay Mr P £150 if it hasn't done so already

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 March 2026.

Sarah Green
Ombudsman