

## **The complaint**

Mr F complains that Yorkshire Building Society (YBS) delayed in processing his application for a cash ISA, as a result of which he was unable to invest it in time for the tax year 2024-25.

## **What happened**

On or about 1 April 2025 Mr F applied for a cash ISA with YBS. He was asked to verify his identity via its online process, which he didn't expect as he was an existing customer. His address on one of his ID documents didn't match his current address. He called YBS on 3 April for help but didn't mention that his ID still reflected his old address. He visited a branch for assistance. At the branch, the staff explained the address mismatch. They suggested opening a new account using the old address to match the ID. Mr F submitted his ID with the old address, but to the original application.

The application was rejected due to the address mismatch. But Mr F didn't receive this notification until the morning of 5 April. By then he says it was too late to invest his money for the tax year 2024-25. He says that as a result he has suffered a loss of interest due to the inability to claim tax relief for the investment that year.

YBS acknowledged having given Mr F the wrong information and its delay in communicating the result of the application to him. It initially made a payment of £125 compensation, and when the matter was referred to the Financial Ombudsman Service, offered a further £125.

Our Investigator reviewed the matter and said it was unlikely the required ID information would've been able to have been provided in time for YBS to fully open an ISA before the end of the tax year. So he didn't think he could fairly ask YBS to compensate any lost interest associated with not being able to take advantage of the 2024-25 ISA allowance.

Mr F didn't agree and the matter has been passed to me for an Ombudsman's consideration.

## **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 F applied for the ISA on 1 April. Whilst he has queried the necessity for providing ID, I can't say that YBS made an error in asking for it. All banks and building societies must have a system for proving the identity of a customer, though there is no regulation specifying when ID should be asked for, so they may have differing requirements. He uploaded his ID to the system on 3 April, that evening.

Mr F tells us that he received notification that the application had been rejected because of the ID query on 5 April at 10:45 AM. He says this was too late to apply for an ISA with his other building society, though says that they didn't require ID.

I think YBS did make errors in this case. The information apparently given to Mr F by the

branch staff was wrong and, I believe led to him uploading the same ID documents with the mismatched address.

I've noted that Mr F says he first tried to apply for the ISA on 31 March but couldn't get through because of problems with the website. In its final response letter, YBS said that it would be upholding this part of Mr F's complaint, so I'll accept that

Mr F says that he was told he would be notified within 24 hours once he had uploaded his ID and if this had happened there would have been time for him to apply for the ISA in that tax year. Though in my view, if he received it on the Friday evening of 4 April (ie within 24 hours), as opposed to Saturday morning it's still unlikely there would have been time to apply for the ISA.

I do think that if the process had gone as Mr F expected the ISA would have been set up in time for the 2024-25 tax year. But I don't think that YBS was at fault for identifying that there was a mismatch in the address. I also don't think that it could be expected to overlook this.

Ultimately, I think that Mr F left it very late in the year to apply for the ISA. YBS clearly made errors which contributed to his not being able to get the ISA set up in time for that tax year. But in my view, I don't think it can be said that it was wholly responsible, so I can't find that it should pay any loss of interest.

The total compensation, awarded and on offer, is £250 (£125 paid and £125 offered). And whilst I haven't found that lost interest should be awarded, I do think that this proposed payment reflects the severe disappointment felt by Mr F.

So overall I think that YBS's offer is fair and I shall direct accordingly.

### **My final decision**

YBS has already made an offer to pay a further £125 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Yorkshire Building Society should pay £125.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 March 2026.

Ray Lawley  
**Ombudsman**