

The complaint

Mrs N complains that Shawbrook Bank Limited provided poor service when transferring £20,000 of her savings from another provider. She says Shawbrook's error resulted in a delay which caused her to miss out on a higher interest rate.

What happened

The details of this complaint are well known to both parties, so I won't repeat all the details here again.

In summary, in February 2025 Mrs N requested Shawbrook transfer £20,000 to her ISA from another provider. Unfortunately, Shawbrook requested £40,000 instead of the £20,000 it should have. Shawbrook received these funds on 24 February 2025. Mrs N contacted Shawbrook following the error and it returned the £20,000 back to her previous ISA provider on 5 March 2025.

Mrs N says she intended for the remaining £20,000 to go to a third ISA provider at a fixed rate of 4.5% for 15 months, but because the funds were not available during the relevant period, she was unable to proceed with that investment. She said by the time the funds were returned to her the rates had reduced. She therefore believes she has suffered a financial loss. She complained to Shawbrook.

Shawbrook considered her complaint and upheld it – it said it made an administrative error in the request for funds and it paid Mrs N £150 in compensation for the distress and inconvenience caused. But as Mrs N remained unhappy, she referred the complaint to our service. She said Shawbrook took too long to return her funds, and this meant she miss the April ISA deadline, and she also said she's lost out on interest.

Our Investigator looked into things but didn't uphold the complaint. He said Shawbrook had fairly resolved the complaint after acknowledging its mistake. He said Shawbrook had promptly reversed the transfer, and this didn't impact Mrs N's annual ISA allowance.

He also said the additional £50 it had paid Mrs N for providing her the wrong information on opening and closing times was also fair.

Mrs N didn't agree. She maintained she missed out on the investment she intended to make, so she said she had suffered a financial loss.

As a resolution wasn't reached the complaint has been 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 won't be upholding this complaint, and I will explain how I have come to my decision.

Mrs N and Shawbrook have provided this service with a lot of information concerning the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's needed in order to come to a full and impartial decision here. That's not to say I haven't considered everything – I have.

I've looked firstly at what happened insofar as the ISA was concerned. There is no dispute that Shawbrook made an administrative error. It has acknowledged that it requested the incorrect sum, but it did transfer the excess funds received back to her ISA provider within 9 days, and from what I have seen this didn't impact her annual ISA allowance.

Mrs N has provided documentation relating to an ISA she opened elsewhere. However, the account was closed before the funds were transferred to Shawbrook. On the evidence available, I cannot conclude with certainty that the closure of the account occurred as a direct consequence of Shawbrook's error.

Even if I am to accept that the account was closed due to the delay, I'm not persuaded that Mrs N suffered a loss. Once the funds were returned, Mrs N was able to decide how to reinvest them. She ultimately chose to invest them in the three-year fixed term ISA with Shawbrook at the rate of 4.42%, rather than pursuing a shorter term product with another provider.

That was an investment decision made by Mrs N, Shawbrook didn't prevent her from reinvesting the funds elsewhere once they were returned. While Mrs N has told us she would have preferred a 15-month ISA at 4.5%, her decision to invest for a longer period reflects a choice to secure what she considered to be the best rate and period at the time.

I have also taken into account that rates for comparable fixed-term products have since reduced, with rates for around 18 months now being approximately 4.13%. Over the relevant period, the three-year product is likely to generate comparable or greater total interest than the shorter-term product Mrs N originally intended, followed by reinvestment at the lower current rates.

Mrs N has said that she could have made use of the interest sooner had she been able to invest in the 15-month product, but she had the opportunity to do this, albeit at a lower rate at the time and she decided not to. I accept had she taken a lower rate at the time she may have suffered a financial loss from what she has told us about the potential lower rate available to her at the time, but I don't think it was significantly lower to persuade me she had no other choice than to invest for a longer period.

We asked Mrs N what she now intended to use the potential interest for, but she wasn't able to elaborate what this loss of potential opportunity to have the interest would have been and only alluded that it would have been useful for her. In these circumstances I'm not persuaded she's suffered any financial loss as a result of what happened.

So, having considered everything here, while Shawbrook made an error, it took appropriate steps to put matters right promptly. And it has offered to pay Mrs N £150 by way of compensation for its error, which is consistent with what this service would award in similar circumstances where there has been distress and inconvenience caused but not clear financial loss.

I also think the compensation offered for incorrect information on opening and closing times was fair.

Taking everything into account, I'm satisfied that Shawbrook's acted in a fair and reasonable way to resolve this complaint, so I don't require it to do anything more.

My final decision

For the reasons mentioned above, I don't uphold this complaint.

Shawbrook Bank Limited should pay Mrs N the £150 and £50 in compensation if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 3 March 2026.

Jag Dhuphar
Ombudsman