

## **The complaint**

Mr R complains that Paragon Bank Plc took too long to action his transfer of funds into an individual savings account (ISA).

## **What happened**

In August 2024 Mr R opened an ISA with Paragon. He planned to transfer funds from an ISA he held with another business – and submitted a transfer authority form to Paragon on 27 August 2024. But Paragon says that it didn't receive the funds from the other bank until 22 October 2024. Unhappy with the delay, Mr R complained to Paragon and referred the complaint to us.

Paragon accepts it could have done things better. It said it would backdate the interest to 23 September 2024 – which it said was the 16<sup>th</sup> day following the transfer request. It also paid him £50 to reflect the delays and inconvenience it caused. Our investigator looked at this, and recommended Paragon instead backdate the interest to 18 September 2024, and pay Mr R an additional £100 (or £150 in total) to reflect the impact it had on him.

Paragon agreed with the investigator's recommendation. Mr R disagrees. He's concerned that Paragon didn't process his ISA transfer in accordance with the standards and expectations customers reasonably rely on when planning their financial affairs.

As the investigator couldn't resolve things informally the complaint has been referred to me to decide.

## **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.

Paragon accepts that it could have handled things better. It has offered to backdate the interest on the ISA to the 16<sup>th</sup> working day after it received the transfer form and has agreed to pay Mr R an additional £100 to reflect the distress and inconvenience this caused him. I need to consider if this is fair in the circumstances of Mr R's complaint.

Where I uphold a complaint, any compensation I award is intended to put the customer as far as possible in the position they'd be in if the mistake hadn't been made. And where I award compensation for distress or inconvenience, this isn't to punish the business – but to reflect the impact of its actions. Finally, I am not a regulator. It's not my role to supervise or enforce compliance with specific regulatory obligations – my role is to decide what's fair and reasonable in the circumstances of Mr R's complaint.

Based on what I've seen, it's plain that the transfer took longer than it ought. As Mr R was transferring uninvested cash, I'd expect the transfer to take no longer than 15 working days. Based on what I've seen, Paragon received the transfer forms from Mr R on 27 August, and then sent these forms by post to the other business on 30 August. Paragon didn't receive confirmation that the other business had received and processed these forms until 9

October, over 30 working days later. I can't hold Paragon responsible for delays caused by the other business. But I think Paragon could have been more proactive in chasing things up. I note Mr R called Paragon for updates on numerous occasions. During a call on 11 September Mr R gave Paragon an email for the other business – but it appears this was transcribed incorrectly, and so Paragon tried to chase the other business using incorrect contact details. On 25 September, Mr R learned that Paragon had the incorrect address, and asked them to chase it again. But Paragon didn't do so until 2 October. Paragon didn't ultimately receive the funds until 22 October, more than 40 days after Mr R submitted his initial request. On balance, if things had happened as they should have, I think it's possible that Mr R would have received the funds sooner. I agree the complaint should be upheld.

I've therefore thought about what Paragon should do to put things right.

The terms and conditions that applied to Mr R's account said Paragon would pay interest from the 16th day after he requested the transfer, or the date it actually receives the funds, if earlier. Based on what I've seen, I can't safely conclude that the transfer would have been completed in less than the full 15 days. But this does mean that whether or not Paragon was responsible for the further delay, Mr R won't have lost out because of this – as he'll receive interest from the 16th day.

I've thought about the wider impact this has had on Mr R. Mr R called Paragon on numerous occasions, and I see that on a number of occasions Paragon promised call backs and actions which it didn't follow up. I accept that there were excessive delays to the transfer. We've also asked Mr R for further details of the impact this had on him. He says that at the time this was happening he was planning a family holiday – which he had to delay as he didn't have access to the funds in the Paragon ISA. He'd also pledged to donate funds to charity. I acknowledge that not being able to do this will have caused Mr R material distress and inconvenience.

That said, I'd expect Mr R to take reasonable steps to mitigate the impact of Paragon's actions. Based on what he's told us, he didn't finalise plans for the holiday until mid-September, by which time he was already aware that the other bank hadn't received the transfer form and that the transfer was subject to delays. I'm also mindful that had Mr R withdrawn this cash at the time, he wouldn't have earned interest on it – indeed, Paragon says this was a 1 year fixed rate cash ISA, which I understand has a fixed term and which was subject to loss of interest if Mr R withdrew funds early. So if things had happened as Mr R says they would, it seems he would be worse off financially than in fact was the case.

Thinking about everything, given what Mr R has said, I'm not persuaded to award more than the extra £100 (£150 in total) that the investigator has already recommended. I accept that Mr R had to spend some time chasing things up. But he ultimately received the funds and based on what Mr R told Paragon at least some of the delay appears to have been while Paragon was waiting for the other business.

### **Putting things right**

Paragon Bank Plc should:

- Pay Mr R the interest he would have earned had the payment been backdated to 18 September
- Pay an additional £100 to reflect the distress and inconvenience this caused.

### **My final decision**

I uphold the complaint. Paragon Bank Plc should put things right by doing what I've said

above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 April 2026.

Rebecca Hardman  
**Ombudsman**