

The complaint

Miss M complains that Nationwide Building Society transferred her Individual Savings Account (ISA) to them too soon, resulting in financial loss.

What happened

Miss M visited a Nationwide branch on 22 April 2025 to open a new ISA as her existing ISA with another bank was due to mature on 30 April 2025. To the best of Miss M's knowledge this was carried out as per her instructions to transfer on the date of maturity.

Miss M received correspondence on 26 April 2025 from both her existing ISA provider and Nationwide which confirmed the transfer was complete. The statement from her other bank also included information about the interest paid upon transfer, which was less than what she was expecting.

Once her previous bank's branch opened again on 28 April 2025, Miss M went in to clarify the discrepancy, as she initially thought this was a calculation error made by them. She was told the reduction of interest was due to receiving the transfer request before her ISA had matured.

Miss M then attended the Nationwide branch to tell them of the error and raised a complaint. Miss M believes that the branch consultant had either misunderstood her wishes or that an error had occurred when completing the application.

In response to Miss M's complaint, Nationwide said that the consultant confirmed that during the application, they followed the below script:

"When would you like your ISA transfer to start? Now or after the existing ISA's notice period"

They advised that Miss M responded - "Now"

They then proceeded to read an advisory script - "If you ask us to process your transfer right away, you agree to any charge or loss of interest that may apply"

Nationwide are satisfied that the branch consultant provided testimony that they followed the correct process and that no error has occurred.

Miss M wants Nationwide to compensate her for the interest lost with her previous bank and for the interest on her Nationwide ISA to be calculated on the correct transfer balance, had the error not occurred.

The investigator has upheld Miss M's complaint stating that it's more likely that Nationwide had misunderstood her wishes or an error had occurred given Miss M's intention of attending branch that day, previous experience of having multiple ISAs and the negative impact of transferring too early.

Nationwide don't agree that an error has occurred and have requested an Ombudsman 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 agree with the investigator's conclusions, and I will outline my decision below.

Considering the timeline of events, I don't dispute the intention of Miss M was to transfer on the date of maturity. Given that there were only 8 days between the application and maturity date, there would be a significant detriment to Miss M to lose 120 days' worth of interest.

In addition to this, the interest with her existing provider was at a higher rate of 5.05% and the new Nationwide ISA was offering 4.35%, therefore she would not stand to benefit in interest by transferring early.

Nationwide said that the consultant specifically recalls following the process correctly and Miss M wanted to transfer immediately. Whilst I understand that Nationwide have set processes during applications to prevent such risks, I think it's possible that if Miss M has answered "on maturity" to the question outlined and if the consultant believed that this date had already passed then the error could have been a result of miscommunication, rather than process not being followed.

Nationwide said that they would expect Miss M to clarify the script advising of "lost interest". However, if Miss M was of the impression that the transfer was going to be sent on maturity, then there would be no requirement to clarify this statement as she believed there would be no interest lost.

I wouldn't expect the consultant to provide advice here, but I would expect clear communication and to clarify Miss M's wishes, considering the amount transferred and the nature of ISAs.

Given that Miss M acted quickly to try and put things right and would not have benefited, I don't think it was her intention to transfer before maturity.

Taking the above into account, the evidence suggests that the Nationwide misunderstood Miss M's request here and due to this, I'm not persuaded that they have acted fairly and reasonably.

To rectify the error, I will tell Nationwide to refund the lost interest that the other bank charged Miss M, including any associated interest, to her new Nationwide ISA.

I find this to be a reasonable request to put Miss M back in the position had the error have not occurred.

My final decision

My final decision is, I uphold this complaint.

I require Nationwide Building Society to:

Refund the lost interest that the other bank charged Miss M, including any associated interest, to her new Nationwide ISA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 19 March 2026.

Jessica Lees
Ombudsman