

The complaint

Mrs H complains that Interactive Investor Services Limited ('IISL') delayed moving her investment ISA to them from her existing provider.

Mrs H states that because of the delays, she's lost out financially which she'd now like to be recompensed for.

What happened

Mrs H held two cash ISAs with a provider that I shall call Firm A. She made a transfer request to IISL to move the monies to an investment ISA with them. I've provided a brief timeline of the relevant events linked to this complaint.

ISA one:

- On 26 March 2025, Mrs H initiated a transfer request to move her cash ISA to an investment ISA with IISL.
- The following day, IISL requested the ISA monies from Firm A.
- Due to the monies being sat within a fixed rate account, Firm A weren't able to immediately release the monies.
- IISL sent their acceptance of the transfer back to Firm A on 25 April 2025 and the funds were received by IISL on 26 April 2025, where they were immediately credited to Mrs H's ISA.

ISA two:

- On 26 March 2025, Mrs H initiated a transfer request to move her second cash ISA to an investment ISA with IISL.
- On 28 March 2025, IISL requested the ISA monies from Firm A.
- IISL then chased Firm A on 4, 10 and 17 April 2025 for an update.
- On 30 April 2025, IISL sent their acceptance of the transfer back to Firm A.
- On 16 May 2025 a new transfer form was submitted to Firm A.
- IISL chased Firm A on 22 May 2025. The money was received the same day.

Unsure of what caused the delay of one of the transfers, Mrs H complained to both IISL and Firm A, explaining the delay had meant she wasn't able to invest the transfer proceeds of the second ISA into the fund she wished, resulting in a loss of growth and profit.

After reviewing Mrs H's complaint, IISL confirmed they did make an error, recording the transfer as complete when it wasn't, and offered £80 compensation in recognition of this. However, IISL didn't accept they were responsible for the loss of opportunity Mrs H incurred. IISL explained they had sent Firm A their acceptance on 30 April 2025, but the proceeds weren't received from them until 22 May 2025, following multiple communication exchanges with Firm A. IISL didn't agree Mrs H had incurred a loss, explaining that based on the investment made following receipt of the delayed transfer proceeds, she received a better price than she would've done had she made the investment sooner.

Unhappy with IISL's response, and still unsure of why the delay occurred or who was responsible for the delay, Mrs H referred her complaint to this service. Mrs H initially told this service that had the delayed transfer arrived at the same time as the other ISA transfer and been invested into the same fund as the first one, which was then sold on 27 May 2025, she would've achieved a net profit of c£1,350. Mrs H also stated that she foresaw a disagreement between IISL and herself and felt that if she didn't crystallise the profit made to that date, IISL would not have accepted a claim of loss due to missed opportunity.

The complaint was then considered by one of our Investigators. She concluded that IISL hadn't treated Mrs H fairly. She also said, in summary:

- Had it not been for IISL's technical issue on or around 30 April 2025, the ISA transfer would've completed within the following few days and been available to Mrs H to do with as she wanted, as once the acceptance message was correctly uploaded the transfer did complete and settled a few days later.
- She wasn't persuaded by IISL's rationale that Mrs H hadn't incurred a loss due to the transfer delay. That's because IISL considered what happened, once the delayed transfer proceeds arrived, rather than what would've happened had it not been for the delay.
- She didn't believe that Mrs H's loss of growth was c£1,350, as it appeared that figure was based on the growth/profit had both ISA transfer proceeds been invested, and Mrs H had already benefited from the growth on the investment made using the transfer proceeds that weren't delayed.

IISL, however, disagreed with our Investigator's findings. In summary, they said:

- Whilst they appreciate that they did not initially identify the error where there the acceptance was not uploaded correctly until 22 May 2025, having re-performed a loss calculation on the actual trades Mrs H made following receipt and allocation of the funds, she had received a more favourable price and has therefore financially benefited.
- Any assertion that Mrs H or our Investigator had made, that had both amounts of funds been received at the same time then they would have been invested in the same asset, is still an argument based on a hypothetical scenario which benefits from the bonus of hindsight.
- There is no evidence to show that Mrs H would have used the full amount of funds to invest in one single asset. Ultimately, to determine financial detriment and loss, it is only reasonable to base any calculations on the actions the underlying client took as this is tangible evidence, rather than any action the client may have taken which is hypothetical and based on assumptions.

Mrs H subsequently contacted our Investigator and explained that she wanted to adjust her claim for losses. She said that had she received the proceeds of both ISAs at the expected

time, she would have invested those proceeds on 29 April 2025. At that time units in the fund she had selected were priced at £101.50 each. As they have been performing well, she may have decided to leave them invested and recently (November 2025), they are priced at £122.14. She said that the likelihood is, she would have left the investment in the same fund as it had performed in a manner that would not have caused her to alter it.

Our Investigator was not persuaded to change her view as she didn't believe IISL or Mrs H had presented any new arguments she'd not already considered or responded to. Unhappy with that outcome, IISL then asked the Investigator to pass the case to an Ombudsman for a decision.

After reviewing what both parties had to say on the matter, I wrote to IISL and Mrs H explaining that whilst I was minded to uphold the complaint, I was doing so for different reasons to that of our Investigator and to make a small revision to how the redress should be carried out. The window aimed to give both parties the opportunity to consider what I had to say and give any final comments before I reached my final decision.

What I said in my provisional decision:

I have summarised this complaint in less detail than Mrs H has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Mrs H and IISL in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm planning on upholding Mrs H's complaint – I'll explain why below.

Whilst Mrs H transferred two ISAs from Firm A to IISL, it seems to me that the first transfer was completed within a reasonable timescale. While there was a small delay, that appears to be as a consequence of the monies being held in a fixed rate account that needed to mature so my decision will focus on the latter ISA. And in any event, neither party appears to have questioned that specific account.

When a consumer decides to transfer an ISA to a new provider, the regulator, the Financial Conduct Authority and HMRC have standards in place that they expect providers to adhere to that helps ensure monies are moved in a timely manner. For cash ISA to cash ISA transfers, monies must be moved within 15 working days. However, for other ISA transfers, the expectation is the transfer should take no more than 30 calendar days. So, in light of the fact that IISL have stated that they received Mrs H's completed application form on 26 March 2025, that means IISL should have processed the transfer by 25 April 2025.

Whilst I should acknowledge the fact that I've seen evidence IISL chased Firm A on at least three occasions (4, 10 and 17 April 2025) for an update, from what I've seen from the timeline screenshots provided, Firm A/IISL agreed to the transfer on 25 April 2025.

But, Mrs H's second ISA transfer was delayed because whilst IISL sent their acceptance message on 30 April 2025, the transfer proceeds didn't settle into her IISL ISA until 27 May 2025. That's because IISL use two systems to conduct the ISA transfer but due to a technical issue, their acceptance message wasn't correctly uploaded to the second system and it wasn't rectified until 22 May 2025. Therefore, the delay between 30 April and 22 May 2025 was entirely attributable to IISL's internal system error, not Firm A.

It therefore follows that as IISL received confirmation that both ISAs could be transferred on 25 April 2025, had no mistakes been made on the second ISA transfer it ought to have been moved to IISL at the same time as the first, on 26 April 2025, where it should have also been immediately credited to Mrs H's ISA.

I acknowledge that the second ISA transfer would fall one day outside of the 30 day FCA/HMRC time limit in this instance, but in light of the fact that I have seen evidence that IISL chased Firm A for updates on at least three occasions, I am satisfied that that one day delay outside of the standards is not attributable to them.

Putting things right

My aim is to put Mrs H back into the position she would've most likely been had the second ISA transfer not been delayed due to IISL's errors. Therefore, to put things right, IISL should work on the basis that:

- The delayed transfer proceeds from the second ISA would've been received on 26 April 2025.
- Mrs H used those funds and made the same trades that she did with the first set of ISA transfer proceeds.

IISL should then rectify Mrs H's ISA. This restructuring should include making any necessary adjustments on the number of units/shares held and crediting any applicable disbursements or interest that would've been achieved. IISL should also ensure that this restructuring doesn't impact Mrs H's ISA allowance and provide a breakdown of the restructuring to her.

My reconstruction assumes the earliest point Mrs H could reasonably have traded was 26 April 2025, the date the first ISA was credited.

If Mrs H has since made further investment decisions within her ISA, such as switching funds, selling units or making additional trades, IISL should apply those subsequent transactions to the reconstructed ISA as though the second transfer proceeds had been correctly invested on 26 April 2025. This ensures that the redress reflects the position Mrs H would most likely be in today had the delay not occurred, while preserving the genuine investment choices she made after that date. The reconstruction should not unwind or override any later decisions Mrs H took independently of the transfer delay.

When IISL carries out this reconstruction, it is possible that Mrs H's resulting position may be more favourable than her actual holdings today. If that is the case, then no financial adjustment would be required, as compensating her beyond the position she would most likely have been in would amount to over-compensation. The purpose of this redress is not to guarantee a profit, but to restore her to the position she would reasonably have been in had the delay not occurred.

I'm satisfied that the above approach is fair and reasonable as Mrs H herself stated that she intended to invest both proceeds in the same way and it avoids undue speculation while being grounded in the most reliable evidence of her likely behaviour.

IISL should then pay to Mrs H £150 for the trouble and inconvenience that they've caused her. If they've already paid her the £80 that they offered in their final resolution letter, they should pay her a further £70 so she receives £150 in total.

Responses to my provisional decision:

After considering what I had to say, IISL said:

- The first ISA transfer was actually credited to Mrs H's ISA on 29 April 2025, the following working day after being received into their suspense account.
- Following the first ISA transfer being credited on 29 April 2025, Mrs H first traded with the proceeds from the transfer on 6 May 2025, not the same day the funds were received.

IISL went on to question whether the redress approach could be amended for the second ISA to reflect Mrs H's circumstances when reconstructing the account more accurately.

A copy of IISL's response was provided to Mrs H who disagreed with IISL's proposal. She felt that IISL weren't treating her fairly. She also explained that the reason why there was a small delay in her investing the monies following receipt of the funds on 29 April 2025, was her belief that the second tranche of funds were following shortly thereafter. She explained that when the second set of monies failed to materialise, she decided she needed to take action so decided to invest the monies that she already had to mitigate any further losses. Mrs H felt that the loss calculation should run from 29 April 2025 rather than the later date of 6 May 2025.

After receiving that correspondence, I decided to issue an update to my earlier thinking explaining that whilst I was still minded to uphold the complaint, I wanted to make subtle change to how things should be put right.

What I said in my subsequent provisional decision of 12 March 2026:

As I explained in my provisional decision, the rules around the timing of ISA transfers are very clear; providers must complete the process within 30 calendar days. This timeframe covers the whole process, including the receiving provider applying the funds to the consumer's new ISA account. It isn't acceptable for a firm to treat the 30-day period as excluding their own internal processing or crediting steps. In this case, once the funds were received, IISL were required to credit them to Mrs H's ISA investment account without delay.

The 'ISA one' monies couldn't be sent to IISL until 25 April 2025 and that's because that account was subject to a notice period. And, it appears that IISL received those monies from Firm A on 28 April 2025, the next working day after the account had matured. IISL then posted the monies to Mrs H's account the following working day on 29 April 2025; that's the date that those funds were available to Mrs H to invest in the market had she chosen to do so. I'm therefore satisfied that Mrs H didn't suffer a financial impact on those funds as a consequence of that specific transfer.

I've also given further thought to the 'ISA two' timeline. Whilst its clear to me that IISL were ultimately responsible for the delay of that transfer, they did on a number of occasions proactively chase the monies, so I can't reasonably hold them accountable for the full delay when determining the notional timeline of what ought to have happened were it not for their mistakes. I am however mindful that 26 April 2025 was a non-working day, so I think it's fairer to conclude that the monies would have been credited to Mrs H's IISL ISA on Monday 28 April 2025, which is the point at which those funds could have been invested from.

It therefore seems to me that Mrs H would have received the monies from the second ISA transfer into her IISL account prior to the first ISA funds. I say that because as I've already explained, Firm A weren't able to initially close the first ISA account as they needed to wait for the fixed rate to mature.

I've also given very careful thought to what Mrs H has told this service about how she would have invested the monies had they arrived when they should have. She's explained that she would have waited for both sets of funds to be credited to her IISL account and then invested them together. And, Mrs H has asked for the loss calculation to be worked from the assumption that she invested both pots on 29 April 2025.

While I don't doubt this was her genuine expectation, a firm's liability for loss cannot extend to circumstances where a consumer chooses to delay an investment despite already having cleared funds available. Mrs H had identified her intended investment and there were no financial barriers or cost disadvantages to investing on 29 April 2025. It's therefore reasonable to conclude that a typical investor seeking growth would have acted at the earliest opportunity.

I say that because in light of the nature of the investment Mrs H purchased with the 'ISA one' monies, I can't see any reason why she *needed* to delay the purchase of her initial investment by a week. Typically, we would expect consumers to mitigate their losses and in light of the fact that Mrs H has explained her motivation for switching her cash ISAs to IISL was to benefit from the potential of greater growth from an investment she'd already identified, and that investment was into a pooled fund where the onboarding costs are minimal, I don't think it's fair to ask IISL to recompense her for any lost growth potential between 29 April 2025, when she received the monies, to 6 May 2025 when she actually invested that particular tranche of funds ('ISA one').

In respect of the 'ISA two' tranche, as I've already explained, I do think it's reasonable to conclude that were it not for the delays, those monies would have been in Mrs H's IISL account on Monday 28 April 2025 and available to invest from that point. So, in putting things right for her, I require IISL to use 28 April 2025 as the start date for their reconstruction calculations for that slice of money.

In setting 28 April 2025 as the assumed date of receipt for the 'ISA two' proceeds, I have relied on the closest reliable comparison: the processing time of the 'ISA one' transfer. IISL received the first ISA's funds on 28 April 2025 after Firm A released them the previous working day. Since IISL and Firm A had agreed both transfers on 25 April 2025, and the only remaining delay resulted from IISL's internal error, it is fair and reasonable to assume that 'ISA two' would have followed the same timing pattern. I'm of the opinion that this provides a consistent, evidence-based benchmark and avoids any speculative treatment of the timeline.

I'm mindful that we're now working to a new timeline and it isn't always possible to say exactly what would've happened were it not for the delays, but I'm satisfied that what I've set out is fair and reasonable to both parties.

Responses to my subsequent provisional decision

After considering what I had to say, IISL stated that in the interests of customer advocacy and resolving this complaint swiftly, they were happy to accept the decision if Mrs H accepted it.

IISL also stated that they were unsure of how this service had come to the decision to base the reconstruction as if the second tranche of funds were allocated to Mrs H's account on 28 April 2025. Whilst the funds for the first tranche were received into their suspense account

on 28 April 2025, the funds are pooled with that of other clients and therefore must be reconciled by their client cash team to be allocated to a client IISL account. Therefore, had the second tranche of funds been received at the same time as the first tranche on 28 April 2025, they too would have been allocated to Mrs H's IISL account on 29 April 2025. However, as the difference in dates is marginal, IISL said that they were happy to use 28 April 2025 as the basis for the reconstruction.

After reviewing what I had to say, Mrs H said that she was happy to accept the decision with the proviso that IISL's calculations roughly align with hers.

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.

I've thought about IISL's point that, even had the 'ISA two' proceeds been received on 28 April 2025, their internal reconciliation process would still have resulted in allocation to Mrs H's account on 29 April 2025. I accept that this reflects their normal operational process. However, this does not alter my conclusion that 28 April 2025 is the appropriate date for the reconstruction. That date reflects the earliest point at which the funds would reasonably have been available to IISL for allocation, had their internal error not occurred. It remains the closest reliable benchmark to the timeline of the first ISA transfer and provides a fair and evidence-based foundation for the redress calculation. I also note that IISL themselves confirmed that the difference between 28 and 29 April 2025 is marginal and that they were content to proceed on the basis of 28 April 2025. For those reasons, I'm of the opinion that 28 April 2025 is the fair and reasonable reconstruction date.

As neither party have raised any further points that have made me change my mind, it therefore follows that I have reached the same conclusion that I set out above.

For the avoidance of doubt, IISL should adopt the dates that I set out in my subsequent provisional decision that was issued on 12 March 2026.

My final decision

I'm upholding Mrs H's complaint and require Interactive Investor Services Limited to put things right for her in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 April 2026.

Simon Fox
Ombudsman