

## **complaint**

Miss B complains that Bank of Scotland plc (trading as Halifax) did not provide clear information to enable her to complete her Individual Savings Account (ISA) transfers.

## **background**

Miss B wanted to transfer her Halifax ISAs to another provider. On 7 May 2015, she transferred £25,000 (the maximum daily allowance) from her Halifax ISA to the new provider, via online banking. She transferred the remaining £2,615 the following day. As Miss B hadn't completed an ISA transfer form, the new provider treated this as a new ISA, invested the annual allowance and refunded the rest to Miss B in a cheque.

Also on the 8 May 2015, Miss B transferred just over £6,000 from her other Halifax ISA to the same provider. However, the online banking showed this transfer to be pending due to an error. When Miss B checked again on 11 May, the money had re-credited her Halifax account, so Miss B completed an ISA transfer form, believing the online transfer had not happened. In fact the transfer had been rejected by the new provider as Miss B had already credited the maximum amount to the new ISA in the tax year. However, when the money re-credited Miss B's account, Halifax treated it as a new credit in the current tax year. So, Halifax will now not allow the transfer to the new provider as Her Majesty's Revenue and Customs (HMRC) rules say that a customer can only credit one ISA in any tax year.

Miss B says her new provider asked her to get an ISA Transfer History Form from Halifax so that it could complete the transfers as Miss B intended. Miss B says that Halifax said it would send this but never did. She also says the information she received about the £6,000 transfer was misleading and this should never have been treated as a new investment in the current tax year if the transfer was rejected.

Our adjudicator did not recommend that the complaint should be upheld. She found that Halifax could not issue an ISA Transfer History Form as one was never completed. She considered all Halifax could do was provide a statement to show the money was in an ISA and it had already done that. She was also satisfied that the £6,000 had left Miss B's account and been returned. She explained that, under HMRC's strict ISA rules, this had to be treated as a new deposit in the tax year.

Miss B responded to say, in summary, that although she now understood the £6,000 had left and re-entered her account, the message advising that the transaction could not be processed was misleading. She added that Halifax assured her it would provide an ISA Transfer History Form and that by not doing so, she wasn't able to re-invest the £12,000+ cheque, causing her a financial loss.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

HMRC has very strict rules concerning the transfer of, and investment into, ISAs. Unless the correct transfer process has been completed, when money is transferred out of an ISA, it can only be re-credited to an ISA in the current tax year. However, this process can be adjusted if the bank is found to have made a mistake, which is what I need to consider here.

In the case of the larger transfer, Miss B carried this out via online banking, rather than through the correct ISA transfer process. Halifax did not know the money was being transferred to an ISA and the new provider did not know the money came from an existing ISA. Therefore, I cannot see that any error was made when the new provider treated the money as a new ISA investment in the current tax year, credited the maximum allowance and refunded the remainder to Miss B in a cheque.

I accept that Miss B's new provider said it could make the necessary changes if it received an ISA Transfer History Form and that Miss B asked Halifax to provide one. However, I have seen the customer contact notes from that conversation and, although Halifax agreed to send the document, it also said *"this document will show the debits and funds withdrawals, not an ISA to ISA transfer"*. I acknowledge that Halifax actually sent a statement of the account, but, as there was no ISA transfer, I don't think Halifax could have done anything differently. Indeed, I note that Halifax has now also sent a covering letter to explain what has happened with Miss B's ISAs and for *"clarification that the funds had originated from existing ISA"*. I don't consider Halifax should do anything more in that regard.

Halifax's system notes also confirm that the £6,000 left Miss B's ISA, before being rejected by the new provider and being returned to the account. Because of the rules surrounding ISAs, Halifax has to treat this as a new investment, unless it caused the error itself. In this case, Miss B requested the transfer online and, although it was not successful, Halifax was not responsible for either the initial request, or the returned money. I acknowledge that Miss B says the on-screen message was misleading, but even if it had been clearer, the outcome would have been the same.

I can understand and sympathise with the frustration and upset this will have caused Miss B, but, as I can't see that Halifax made a mistake, I cannot conclude that the complaint should succeed.

### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 2 November 2015.

Amanda Williams  
**ombudsman**