

complaint

Miss S complains that Coventry Building Society ("Coventry") mishandled her ISA transfer request.

background

In 2015, Miss S opened an ISA online with Coventry. She wanted to transfer in an ISA from another building society, C. As C doesn't subscribe to the electronic transfer system, Coventry sent Miss S an ISA transfer form.

Miss S didn't use this form. Instead, she sent just over £24,000 to Coventry via the faster payments system. This exceeded her annual ISA subscription limit of £15,240. Coventry returned the money to C. But as Miss S's account with C had been closed, it sent the money back to Coventry.

Coventry said it hadn't made a mistake. It couldn't credit the money to the new ISA because it didn't know whether the money was a mix of current and previous year's subscriptions. It returned the money to Miss S by cheque.

Our adjudicator didn't recommend that Miss S's complaint should be upheld. She didn't think Coventry had done anything wrong when it declined the payment and returned it to Miss S.

Miss S disagrees with our adjudicator. She says the option to transfer the money electronically should've been disabled if it wasn't acceptable. Miss S thinks that C must subscribe to the electronic transfer system. She says Coventry should've known that she was reinvesting her previous years ISA allowances.

my findings

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 conclusions of the adjudicator.

Our adjudicator has already explained why Coventry wasn't able to credit Miss S's ISA with the money she sent electronically. An electronic ISA transfer includes more information than an ordinary electronic transfer. As Miss S wanted to pay in more than this tax year's ISA allowance, Coventry needed to know how much she had paid in this and previous tax years. The faster payments system doesn't include this information. I can't find Coventry did anything wrong when it wouldn't accept the full transfer. And as Miss S had closed her account with C, Coventry had no other option but to return the money by cheque.

If Miss S had used the ISA transfer form that it sent to her, Coventry would've been able to process the payment successfully. The terms of Miss S's Coventry ISA say a customer needs to complete a transfer instruction that is then sent to the existing ISA provider. This didn't happen, and I can't find that it was because of something Coventry did wrong.

Miss S is unhappy that C allowed her to transfer the money using the faster payments system. But Coventry has no control over this and I can't reasonably blame it because C didn't disable this option.

I'm satisfied that Coventry has tried to help Miss S. Coventry has been in contact with C to find out whether HMRC might be able to help resolve the problem. But HMRC says Miss S can only invest this year's allowance of £15,240 and not the full ISA balance. I don't find that Coventry should do any more than it already has.

I realise that it may disappoint Miss S but overall, I don't find Coventry has made any mistake so I don't uphold her complaint.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 December 2015.

Gemma Bowen
ombudsman