

complaint

Mr B complained because Al Rayan Bank PLC didn't transfer in his ISA promptly, which led to him losing interest. He was also unhappy about customer service he'd received.

background

I set out the background to this complaint in my provisional decision. I also explained why I proposed to uphold this complaint.

Mr B had a maturing ISA with another bank. He decided to transfer some of it to Al Rayan, and some to another bank. He made his applications, and on 15 October he received a letter from Al Rayan. The first paragraph read *"We are delighted to welcome you as a customer of Al Rayan Bank PLC. Your application for a 12 month fixed term ISA has now been processed."* The letter included a transfer form which Mr B completed and posted in the bank's addressed envelope. He sent it back the same day because he was going into hospital for an operation, and wanted his money to be out of the low-rate maturity account.

Mr B then went into hospital for his operation. When he came out, he contacted the bank which held his maturing ISA. The transfer to the other bank had been completed in three days, but the bank hadn't received any request from Al Rayan Bank for a transfer of Mr B's money.

Mr B rang Al Rayan on 13 November to find out what had happened. We have a recording of that call. It was a long call and eventually the call was cut off. The advisor later rang back and there was another long call. It wasn't satisfactory from Mr B's point of view. There were long waits while the advisor asked someone else, but Mr B wasn't allowed to speak to a manager as he requested. Mr B pointed out he'd sent the form back, and that he had lost money because Al Rayan hadn't processed his transfer. The advisor told him to download another transfer form, and repeated this even though Mr B had explained why he couldn't do so. Mr B explained he'd done ISA transfers for years, and he eventually asked to complain. He was told the advisor would send out another transfer form, and he also understood he'd be sent a complaint form.

About a week later, a different advisor rang Mr B back, saying he understood Mr B was *"unhappy because you've received a zero balance letter."* Mr B again explained that the problem was that Al Rayan hadn't actioned the transfer of his money, which meant he was losing interest at around £70 a month. Al Rayan's 15 October letter had said his application had been *"processed"* and that he'd sent off the transfer forms before going into hospital. Mr B said that following the 13 November call, he hadn't received either a complaint form or another transfer form, as she'd promised. The advisor repeatedly said the bank was *"aware of the complaint"*, and said he wanted to resolve the problem. But all he could offer was to send Mr B another transfer form, and said it was out of his control what happened after that. He said the October letter had said Mr B's account had been *"processed not activated."* He didn't address Mr B's loss of interest, and he wouldn't put Mr B through to the complaints team. By this time, Mr B was having second thoughts about transferring to Al Rayan.

In late November, the bank sent Mr B its final response to his complaint. It said that the welcome letter said the application had been processed, but funds hadn't yet been credited and it needed a transfer form to do so. The bank said it couldn't proceed because ISA rules had to be followed and it had no record of receiving Mr B's transfer form. Mr B wasn't satisfied and complained to this service.

The adjudicator didn't uphold Mr B's complaint. She said the October letter did make it clear that funds needed to be transferred. She said Al Rayan had said it would credit interest from the date the sending bank wrote its cheque to Al Rayan. She was satisfied that Al Rayan hadn't received the transfer form, so she didn't think the bank had done anything wrong.

Mr B wasn't satisfied. He said he had lost money, because the money had sat in a maturity account earning very little. He also wanted Al Rayan to change the letters it sent out, because he thought it was misleading to say an account had been processed.

In my provisional decision, I concluded:

- Mr B told the advisor, and I accepted, that he was experienced with ISA transfers, so he would have sent the form back promptly. He said that he had specialist knowledge about postal losses, and he said some 88% of mail gets through, with much of the rest having incorrect addresses – and he returned his transfer form in an Al Rayan pre-printed envelope. Sending the letter isn't the same as Al Rayan receiving it, of course, and I accepted that Al Rayan couldn't request the money from the sending bank until it had Mr B's transfer form. I noted that some banks would remind a customer if a new account hadn't been funded after a few weeks, though I couldn't require Al Rayan to do this.
- I accepted that Al Rayan couldn't transfer Mr B's money without the transfer form. I had no evidence that the form Mr B posted arrived, so in this respect I found the bank didn't do anything wrong.
- But I considered this was only part of the story. I looked at the customer service Mr B received, and I considered this was poor. In particular, I listened to the recorded phone calls. I found the calls were unsatisfactory because they didn't address Mr B's issues, refused to pass him to anyone more able to address them, and in the 13 November calls the customer service was poor. I considered that a sensible, friendly response from Al Rayan at this stage could have resolved the problem.
- Instead, Mr B was repeatedly kept hanging on when he asked almost every question. As a result of all the waiting, Mr B asked to speak to the advisor's manager – to which he was told point-blank "*There's no manager here.*" This was despite the fact that the background sound in the recording clearly shows that the advisor was repeatedly seeking advice from someone, and these conversations are partly audible. Mr B asked to speak to whoever the advisor was talking too, but wasn't put through. I considered Mr B was very patient during this call.
- The first call disconnected – I couldn't tell from which end - after another long period of waiting. The same advisor rang Mr B back later, but the customer service was no better, with Mr B kept hanging on for long periods, and the advisor again refusing to let him speak to anyone else. I could quite understand why Mr B wanted to speak to someone else, who would know the answers straightaway without having to seek advice on almost every point.
- I found that the advisor didn't adequately address Mr B's request to complain. The only solution she appeared able to offer was for Mr B to go online to get another transfer authority form. She repeated this even after Mr B had explained why he couldn't do this. She eventually said she would post a form, but she didn't try to

address Mr B's real concern about the fact he had lost money because of the delays. There was no empathy expressed, and there are a couple of points on the call when it might be concluded that the advisor was on the verge of laughing. Nor had she sent out the forms she promised by a week later.

- The advisor on the 18 November calls tried to show more empathy to Mr B, saying he wanted to sort it out for him. But he gave the impression his hands were tied, and again, his only solution was to offer to send out another transfer form, this time by recorded delivery. The fact Mr B wanted to complain was met with "*we are aware of the complaint*". When Mr B insisted, he was given the name of a customer complaints person, but no clear idea of timescales, or what might happen. It's understandable that after these calls, Mr B decided he no longer wanted to transfer his money to Al Rayan.
- I recognised that the adjudicator said Al Rayan has subsequently offered to credit interest to the date when the sending bank issues a cheque, but by this stage Mr B had already decided not to trust Al Rayan. And in any case, this didn't deal with the time from Mr B returning his first transfer form in October.
- Looking at Al Rayan's welcome letter in October, I agreed that the letter as a whole made it clear that the account was still to be funded. But I considered the wording of the first paragraph was unfortunate and I considered it could be made clearer in this paragraph, rather than two paragraphs later, that funding was still required. I was not impressed by the phone advisor's explanation that the letter said the account had been "*processed not activated*." However, this isn't what caused Mr B's transfer to fail, because he did send back the enclosed forms.
- Overall, although Al Rayan couldn't complete the transfer without the transfer form, I found its customer service towards Mr B was poor. I considered it should pay him £100 for the frustration and upset which its poor customer service caused him.

Responses to my provisional decision

Al Rayan wrote that although it was disappointed, it accepted the feedback and decision. It asked how Mr B would like the £100 settlement paid, and said it would send him the payment.

Mr B didn't respond to the provisional decision.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I see no reason to depart from my previous conclusions.

my final decision

My final decision is that I uphold this complaint and I order Al Rayan Bank PLC to pay Mr B £100 compensation for frustration and upset which its poor customer service caused him. I've asked the adjudicator to contact Mr B to find out how he'd like the money paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 April 2016.

Belinda Knight
ombudsman