

The complaint

Mrs W complains that Paragon Bank Plc transferred her Individual Savings Account (ISA) too soon.

What happened

Mrs W opened an ISA with Paragon in early June 2023. As part of the account opening process, she asked for an ISA she held elsewhere to be transferred into the Paragon ISA when it matured in October 2023.

But Mrs W received an email saying the transfer was underway on 6 June 2023. So, she contacted Paragon to stop the transfer. But she says was reassured that Paragon had sent instructions with the transfer request for the original ISA not to be transferred until it ended on 6 October 2023. Mrs W later found that the ISA transfer had gone through, so she complained to Paragon.

Mrs W says Paragon was aware that the maturity date of her original ISA was 6 October 2023, so it had actioned the ISA transfer request too soon. She said that as a result she had lost out on a maturity bonus payable on the original ISA and her financial planning had been compromised.

Paragon didn't uphold the crux of Mrs W's complaint. It said it had requested that the ISA was transferred after any notice period or maturity date as per the instructions she had given. It added that when it contacted the original ISA provider (when the complaint was raised) it was told the ISA Mrs W had held didn't have a maturity date or notice period. So, it didn't think it had done anything wrong in respect of the ISA transfer.

But it accepted Mrs W had been given some incorrect information on the telephone about timescales for making deposits into the new ISA and it paid her – by way of a cheque, £30 compensation to apologise.

Unhappy with the response, Mrs W referred her complaint to us. In doing so, she also complained about information that had been provided in Paragon's responses to her complaint which she felt was nonsensical.

Our investigator looked into the complaint, but he didn't uphold it. He noted that Mrs W had ticked a box on the ISA transfer request which said: *'Please wait for the full notice period to end or until the maturity date (whichever is relevant) before going ahead with this transfer'*. And he was satisfied that Paragon had passed these instructions onto the original ISA provider. So, he didn't think Paragon had done anything wrong in this respect. He noted that Paragon had accepted that it had given Mrs W some incorrect information during a telephone call, but he thought the £30 compensation paid in recognition of this was fair. But he explained that complaint handling wasn't something this service could look into to.

Mrs W didn't accept the outcome. And she asked for her complaint to be reviewed by an ombudsman, so it's been passed to me to decide.

Mrs W has also complained about the business the ISA was transferred from. That complaint will be considered separately. So, for clarity this decision solely relates to the action of Paragon.

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've reached the same overall conclusion as the investigator. I know Mrs W will be disappointed as I can see how strongly she feels that something went wrong with her ISA transfer. But I don't find Paragon did anything wrong in this respect, I'll explain why.

The term of the original ISA Mrs W held with the other provider was due to end on 6 October 2023. So, I accept that Mrs W's intention was for the ISA to be transferred to Paragon on this date.

I've seen that the box Mrs W ticked on the ISA transfer form says: *'Please wait for the full notice period to end or until the maturity date (whichever is relevant) before going ahead with this transfer'*. And from what I've seen I'm satisfied that Paragon sent these instructions with the ISA transfer request to the original ISA provider.

I've not seen anything on the transfer form Mrs W completed to suggest that Paragon was aware of the actual date when the original ISA term was due to end. But Mrs W says that she was reassured by Paragon – when she called on receipt of an email saying the transfer was underway, that the ISA transfer wouldn't happen until maturity, and it was aware the maturity date was 6 October 2023.

I've listened to a recording of this call. And it's clear from the start of the call that Mrs W is concerned that the ISA transfer may have been actioned too soon and that she explains that the transfer shouldn't take place until maturity. But I'm satisfied that at this point it was Mrs W who stated that the maturity date of the original ISA was 6 October 2023.

Initially, the staff member says that Mrs W's instructions for the transfer to take place on maturity had been sent to the original ISA provider – which, as mentioned above, I'm satisfied is what happened. But I accept the staff member goes on to say – when Mrs W asks for clarification, that the transfer wouldn't be actioned until 6 October 2023. So, I can understand why Mrs W feels she was reassured that the transfer wouldn't happen before the end of the term of her original ISA.

But, having thought about this carefully, I'm not persuaded that this means that Paragon did something wrong. As mentioned above – prior to this call, I've not seen anything to suggest the Paragon was aware of the actual maturity date. And I find the staff member said the transfer would happen on 6 October 2023 as the instructions sent to the original ISA provider was not to transfer the ISA until the term of the account ended and Mrs W had told her during the call that this date was 6 October 2023.

In any event, even if Paragon had been aware of an actual maturity date, I'm satisfied it was for the original ISA provider to follow the instructions not to transfer the ISA before any maturity date or the end of a notice period. So, overall, I don't find that Paragon did anything wrong when it actioned her ISA transfer request.

Paragon has accepted that Mrs W was given some incorrect information on the phone when she raised her complaint. This doesn't impact on the crux of Mrs W's complaint. And I can

see Paragon has since provided the correct information, so she hasn't lost out as a result of the incorrect information. Overall, I think the £30 compensation payment is fair.

Mrs W has complained about some of the content of Paragon's responses to her complaint. As the investigator explained - generally speaking, complaint handling in itself is not something this service can look at as it's not a regulated activity. That said, I accept that Mrs W found some of the response Paragon gave confusing. However, this hasn't prevented her from being able to refer her complaint to this service for an independent review.

Overall, I don't find Paragon has done anything wrong in relation to the crux of Mrs W's complaint and I'm satisfied the compensation paid in relation to the incorrect information she was given about the ISA funding times is fair. So, I won't be asking Paragon to take any further action in respect of this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 26 February 2024.

Sandra Greene
Ombudsman