

## **The complaint**

Miss E complains that Nude Finance Limited did not respond to her communications which resulted in her losing a £1,000 bonus.

## **What happened**

Miss E held a cash Lifetime Individual Savings Account (LISA) with Nude. She communicated with Nude on 14 October 2022, and she asked them how she would start the transfer of her account to another account and would she need to pay the fee during her (95 day) notice period. Nude advised Miss E what she needed to do.

Miss E contacted Nude on 27 February 2023. She told Nude that the third party provider she was transferring to had processed the transfer request late, which meant she would miss the window to contribute £4,000 into the LISA to get the £1,000 government bonus. She asked if she cancelled her LISA transfer would she still be able to contribute to the LISA to earn the bonus, and she asked how quick she would be able to access the Nude LISA once the transfer was cancelled.

Miss E did not get a response from Nude. So she communicated again with them on 16 March 2023 with a similar request. But Nude again didn't respond to her, so she asked the third party LISA provider to cancel the transfer request, and they notified Nude, but Nude were unable to cancel the request. The funds were transferred to the new provider, but they were received in the following tax year, therefore Miss E was unable to contribute to her LISA prior to the end of the 2022/2023 tax year. Miss E made a complaint to Nude.

Nude partially upheld Miss E's complaint. They offered her £50 compensation for poor customer service. Nude apologised for not getting back to Miss E in February and March 2023 in a timely manner. They said when they spoke with her about the transfer process in November 2022, they advised that once the transfer out began, she would be unable to make any further contributions to her LISA and that they were unable to reverse this. They said at the time they were notified of the cancellation request, they were not operationally set up to reverse the transfer out and so they would not have been in a position to stop the transfer. Miss E brought her complaint to our service. Nude offered an additional £50 compensation to total £100 compensation.

Our investigator partially upheld Miss E's complaint. He did not feel the increased £100 compensation was sufficient. He said Nude should pay £300 for the poor service, but he could see in November 2022 that Miss E was told once a transfer out had begun they'd be unable to reverse the request, so he didn't agree that Nude were responsible for Miss E missing out on the £1,000 bonus. Miss E asked for an ombudsman to review her complaint as she didn't believe the compensation was enough for the delays in Miss E getting a response from Nude, and the stress and anxiety the issue caused her.

## **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 must make Miss E aware that I'm only able to comment on Nude's actions as part of my decision, and not any other party involved such as the third party LISA provider she transferred her LISA to. I understand Miss E has made a separate complaint to the third party provider, but as this complaint is about Nude, then I'm only able to investigate their role in the events what happened here.

I've looked at the terms and the conditions of the cash LISA, to get an understanding of any penalties or notice that was required as part of the account. The terms (section 11.4) state *"The Cash LISA is a 95-day notice account (as explained in condition 30). For this reason, if we receive an instruction to transfer your Cash LISA to your new ISA Manager, we will not treat that instruction as having been received until the end of the 95-day notice period. We will then transfer the cash held in your Cash LISA to your new ISA Manager within 15 days of the end of the notice period. This means that it may take up to 110 days to transfer your Cash LISA to your new ISA Manager"*.

So I'm satisfied that Nude had been clear that 95 days' notice was required, but it could take up to 110 days to transfer her account to the new LISA provider. So I've looked to see when Nude received the transfer request. I can see that Nude received the request on 7 January 2023, and the process started on 10 January 2023 after they had confirmed the account details matched. So based on the time Nude received the request, I would not expect the transfer would have completed before 5 April 2023, which would be the last day of the 2022/2023 tax year, based on the 95 days' notice which was required. So I can't say that Nude did anything wrong on this point.

But I've then went on to consider that Nude were notified on 22 March 2022 that Miss E wished to cancel the transfer request. But Nude were unable to do this. I'm satisfied that they explained this to Miss E on 14 November 2022 when they told her *"You will however be unable to make any further contributions to your LISA. We are unable to reverse this process once it has begun"*. So Miss E was told that they wouldn't be able to reverse (in effect cancel) a transfer out request. So Miss E was fully informed of the process prior to her asking the third party to initiate the transfer of her LISA. So I can't say Nude acted unfairly by not cancelling the request when they told Miss E they would be unable to do this in November 2022.

But Nude have let Miss E down with the poor service they provided her. They hadn't responded to emails in a timely fashion during the events that she's complained about. While the responses wouldn't have made a difference to Miss E being able to cancel the transfer or enabled her to contribute to the LISA during the notice period, it would have been very distressing for her not to receive a response, especially as she was concerned that she wouldn't be able to contribute before the end of the 2022/2023 tax year. And Miss E on occasion had been waiting months for a reply to some queries.

Miss E has also been inconvenienced by Nude by having to chase them up for responses. And she's still had to wait an unreasonable time for some of the responses. So I've considered what would be a fair outcome for this complaint. I've noted the strength of feeling that Miss E has that our investigator's suggestion of a total of £300 compensation is not enough for the stress, anxiety and delays of Nude's poor service.

But I must make Miss E aware that our awards are not designed to punish a business. Taking into account the distress and inconvenience that Nude have caused Miss E, I'm satisfied that a total of £300 compensation (less anything Nude have already paid her) is proportionate for the poor customer service and the impact that had on her. So it follows I'll be asking Nude to put things right for Miss E.

### **Putting things right**

Our investigator suggested that Nude pays Miss E a total of £300 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

### **My final decision**

I uphold this complaint in part. Nude Finance Limited should pay Miss E a total of £300 compensation (less anything they have already paid her) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 28 February 2024.

Gregory Sloanes  
**Ombudsman**