

## **The complaint**

Mrs B complains that Principality Building Society delayed in processing a faster payment transfer into her account.

## **What happened**

In September 2023 Mrs B arranged for a transfer of funds from her bank (L) to Principality. It was set up as a faster payment so should only have taken two hours. The next day she went into her local branch of Principality to update her passbook and she noticed that the funds had not arrived. The cashier could not explain why so she went to her local branch of L who told her that the funds could take up to two days to arrive. She was not satisfied with this and spent some time trying to resolve the matter with L. She was eventually told she had been given the wrong advice and that the funds had left her bank account. L agreed to pay her £150 compensation.

Mrs B then contacted Principality and was told that the funds had finally arrived. Principality explained to her that there was a system error which had wrongly identified that Mrs B had oversubscribed to her ISA for that year and placed the funds in a suspense account. The account had to be manually reviewed and the funds duly put back into the ISA. Principality agreed to pay Mrs B £100 compensation. Mrs B was not happy and felt that Principality should pay at least £150 as L did even though it was its error.

On referral to the Financial Ombudsman Service, our Investigator said she was satisfied that Principality had resolved things fairly and that the £100 compensation paid was appropriate.

Mrs B did not agree and the matter has been passed to me for an Ombudsman's consideration.

## **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 recognise that Principality has admitted its error in this case. It appears to have been mistakenly recorded that Mrs B had exceeded her ISA allowance for that tax year. I believe that this related to taking out and replacements of funds within the tax year. I understand that the system has now been manually adjusted so that if Mrs B puts in any further funds into the ISA and she does not exceed her overall allowance, they should be recorded without any further difficulty.

As regards compensation, I note that Mrs B didn't require access to the funds, and that Principality backdated the interest to the day she made the transfer. She was also already going to the branch so didn't have to make any special journey. I should advise also that I am considering just this specific complaint and won't be taking into account any other complaints Mrs B may have made to/about Principality.

There are no set rates that banks or building societies have to work to when awarding

compensation. It is very much within the business's discretion as to how much it decides to award. So I wouldn't compare the awards that L and Principality made. And I bear in mind that I'm not being asked to make a decision about the complaint Mrs B had with L. Rather my focus is on whether what Principality did was fair.

I accept that Mrs B was caused some inconvenience and distress because of Principality's system error. Having said that, it doesn't look like the sort of error that I would have expected a cashier in branch to be able to pick up. But the matter was resolved within a day and the award that Principality has made is in line with awards we have made in similar cases. So, as I think that the award made was appropriate to resolve Mrs B's complaint, I don't intend to require Principality to take any further action.

### **My final decision**

As Principality Building Society has in my view made an appropriate award, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 20 March 2024.

Ray Lawley  
**Ombudsman**