

The complaint

Miss B complains that Skipton Building Society gave her wrong information about the transfer of the maturity proceeds of her bond. She says she was told she could transfer to a new bond with another provider without any problems. But this wasn't the case, and she was caused huge inconvenience.

What happened

Miss B held an 18-month fixed rate bond with Skipton which matured on 14 May 2023. Around a week or so before, she says she asked a member of staff in her local branch whether she could transfer the maturity proceeds to a new bond with a different provider. She says she was told this wouldn't be a problem.

She opened a bond with her chosen new provider and asked Skipton to complete the transfer. But Skipton couldn't verify the new account. It said the transfer could be made to a current account, but that it would need a copy of a recent statement for that account. It also said the transfer would need approval from its head office, because of the amount involved. Whilst it said it had to follow its procedures, it recognised her frustration and offered her £20 by way of an apology, which she refused.

Miss B said she didn't want to wait for head office approval. She gave Skipton a copy of her bank statement, although she was concerned about sharing her private and personal information. She then arranged to transfer the bond proceeds by faster payment. There was a daily limit on faster payments of £100,000, so she had to make three payments over three separate days. She told us that this involved her travelling to the Skipton branch to instruct the payment, then travelling to the new provider's branch and waiting around two hours in the vicinity until the money was received in her current account so that she could then instruct her new provider to transfer the money to the new bond. She says on one occasion the member of staff at the new provider's branch was on their lunch break, so she actually had to wait around for three hours. This was in addition to the two trips she'd made at the beginning of the week to open a bond account and to obtain a bank statement. She says that, having been told how straightforward it would be, she spent all week making the transfer. This was particularly difficult for her because of her age and health and she says she missed other things she should have gone to and done that week.

Skipton said it acted in line with its agreed terms and conditions by asking for a copy of Miss B's bank statement to ensure the security of her money and to make sure the money was being transferred to the correct account holder. It said it would honour the £20 offer made by its branch staff.

Our investigator didn't recommend that the complaint should be upheld and didn't think Miss B had been treated unfairly. She said Skipton needed to verify Miss B's account to comply with industry regulations and that this was covered in its terms and conditions. She didn't think it was unreasonable for Skipton to require head office approval for the transfer of a large sum.

Miss B didn't agree. She said, in summary, that Skipton told her the money could be transferred in one go. And £20 isn't enough to compensate her for the inconvenience she suffered.

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.

Miss B says she visited the branch before her bond matured and was reassured that it would be a simple process to transfer the maturity proceeds to a new bond with another provider. Unfortunately there's no record of that discussion so I can't say for certain exactly what questions she asked and what she was told by the member of staff. In cases like this, where the evidence is incomplete, inconclusive, or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

There were two requirements that had to be fulfilled for the money to be transferred. Firstly, the receiving account had to be verified. Secondly, because of the amount involved, Skipton needed the transfer to be approved by its head office. I don't think either of these requirements were a barrier to Miss B transferring her money to a new bond and that is probably why the member of staff didn't see the need to go into this level of detail when Miss B asked about the transfer. Most customers would already have verified nominated bank details, or the verification can take place electronically. And the procedure for head office approval was straightforward and would be completed on the same day, so relatively quickly.

I appreciate Miss B understood from her conversation that she could easily transfer the bond proceeds to a new bond with another provider. And so she would have been disappointed and frustrated when she found out there were requirements she hadn't been told about. I've thought about this very carefully, but I don't find Skipton treated Miss B unfairly. I say this because it's not clear exactly what she was told during her initial conversation and, whilst there were steps that needed to be taken, these shouldn't have been too difficult to fulfil.

I know Miss B had concerns about providing a copy of her bank statement to Skipton. She didn't think it was right to share her private information. But I'm satisfied this is standard procedure for the industry and is in line with regulatory requirements. Skipton couldn't verify the new bond account, probably because it was only opened that day. So it reasonably suggested Miss B transfer the money to a current account and make the transfer from there. But it couldn't electronically verify that account, so it asked for a bank statement. The verification process ensured the receiving account was in Miss B's name. This was important to ensure Miss B hadn't been scammed into sending her money to what she thought was genuinely her account. If Miss B was concerned about sharing any particular transactions, she could have inked these out.

It is unfortunate – and I'm sure Miss B will now agree with the benefit of hindsight – that she didn't wait for Skipton's head office to approve the transfer of the money. I can see from the branch's records that she was told the approval would take place the same day. But she decided she'd make same day payments over three days, rather than wait for the head office approval for one lump sum payment. I fully appreciate how much time and trouble this involved for Miss B. And I do sympathise that by the end of the week she was quite distressed by what had happened. But I can't hold Skipton responsible. I'm satisfied it followed reasonable procedures, that it clearly explained to Miss B what was required and why, and that it told her the head office approval wouldn't take long and that she would probably be better to wait for that.

During her conversations with the branch, a member of staff offered her £20. I understand why she didn't accept that at the time. Skipton is still prepared to honour that offer and Miss B may decide to accept it now. I've explained why I don't think Skipton acted unfairly or unreasonably, so I can't order it to increase its offer. Whilst it is a small sum, it may go some way to recompensing Miss B for the extra expenditure she incurred in travelling into town that week.

My final decision

My decision is that Skipton Building Society should honour its offer to pay Miss B £20.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 1 March 2024.

Elizabeth Dawes
Ombudsman