

## The complaint

Mr J complains that Scottish Widows Schroder Personal Wealth (ACD) Limited ('SPW') delayed the transfer of his stocks and shares ISA. He wants SPW to compensate him for distress and inconvenience.

## What happened

Mr J had a stocks and shares ISA provided by SPW.

On 12 June 2023 he applied to transfer the proceeds of the ISA to another provider ('the new provider').

On 13 June 2023 SPW placed the deal to start the process of transferring Mr J's ISA proceeds.

On 16 June 2023, after its three working day exit check, SPW authorised the payment of the proceeds of Mr J's ISA to the bank account of the new provider.

On 20 June 2023 SPW's bank contacted SPW for extra security information to enable the payment to be processed. SPW responded the same day with the information.

On 22 June 2023 Mr J called SPW for an update because the new provider hadn't yet said it had received the proceeds of his ISA. He said he wanted to know where SPW had sent the proceeds. SPW said the ISA had been encashed on 16 June 2023. And SPW had made the payment to the new provider on 16 June 2023. SPW told Mr J the name of the new provider and details of the sort code and account number to which SPW had authorised the payment.

On 23 June 2023 the new provider contacted SPW to say it hadn't received the proceeds from Mr J's ISA. It said Mr J had said SPW had confirmed it had made the transfer but the new provider hadn't received it. SPW said it had sent the payment on 16 June 2023. SPW sent the new provider the transfer history form for Mr J and said it would follow up and contact the new provider once it had an update from its own finance team.

On 26 June 2023 Mr J called SPW. He said he knew SPW was looking into things but he wanted an update. SPW told him it had requested the swift code to help track down the payment and it expected to receive it that day.

Later that day SPW emailed the new provider and Mr J including the swift code for the payment. It said, *'aside from a trace which could take a while, the swift code should provide some further assistance to locate the funds'*. The new provider emailed SPW saying it still couldn't find the payment. SPW raised a trace for the payment that day.

On 27 June 2023 Mr J called SPW. He said the new provider had said SPW was initiating a trace. Mr J wanted to know how long the trace would take. SPW said it could take a week or more.

On 29 June 2023 SPW called the new provider to say SPW's bank was still reviewing the payment but hoped to release it shortly. Mr J called SPW saying the new provider had called

him to say the payment was with SPW's clearing bank and it would be processed as soon as possible. SPW told Mr J it would update him once it knew more.

On 3 July 2023 Mr J emailed asking for an update. SPW responded that day to him and the new provider. It said:

*'... I have spoken to my colleague in the finance team ... The latest response from [SPW's bank] is as follows: "Our Payments team have confirmed that this payment has been re-affected and we expect this to credit the beneficiary by latest tomorrow. Please reach out if your beneficiary is still not in receipt of this by late afternoon tomorrow (04/07/2023) ...'*

On the morning of 4 July 2023 Mr J complained to SPW. He wrote:

*'I want to formally complain about the issues with this transfer and I want to ask for compensation as the delay has cost me money. Can you instigate this or give me the details of who to write to.'*

On 5 July SPW's bank released the payment to the new provider.

On 6 July 2023 Mr J called SPW saying the new provider couldn't locate the payment. SPW gave Mr J the new swift code.

On 7 July 2023 the new provider confirmed it had received the proceeds of Mr J's ISA.

On 7 August 2023 SPW said it didn't uphold Mr J's complaint. It said it understood his complaint to be about the time taken to transfer his ISA proceeds. It said it had followed the correct process to complete the transfer and any delay was out of its control. It set out a detailed account of what had happened, including what information it had given Mr J during the process.

Mr J referred his complaint to this service. He said he'd requested the transfer on 12 June 2023. SPW claimed it had transferred the funds on 16 June 2023, but the receiving bank didn't receive the funds until 7 July 2023. He had contacted SPW many times in the intervening period to find out what had happened to his money. But SPW kept insisting it had been transferred to the bank account of the new provider and it didn't mention anything about security checks holding things up. Mr J said he had been extremely worried and upset and he wanted compensation.

One of our Investigators looked into Mr J's complaint. In summary she said SPW hadn't done anything wrong. She said the transfer had been done in 26 days. And that was in line with the industry standard, the government guidelines which say transfers of this type should be done within 30 calendar days, and the terms and conditions of Mr J's account which said transfers could take up to 30 days. She noted that SPW relied on its bank to move the transfer forward and took appropriate steps to ensure things progressed. The Investigator said that even though 30 days was usual, transfers could sometimes be done more quickly, but in this case SPW's bank took time to carry out its security checks and the Investigator had no reason to say that was unreasonable.

Mr J didn't agree with the Investigator's view. In summary he said that in light of the information provided by the Investigator he accepted that his complaint about the time taken to complete the transfer couldn't be upheld. But he thought he had a valid complaint about SPW giving him wrong information. He said SPW told him it paid the proceeds of his ISA to the new provider on 13 June 2023 but that wasn't the case. He said this information left him

in limbo for the best part of a month and he started to think a large portion of his retirement fund had been lost.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

Mr J's comments about SPW giving him wrong information didn't form part of Mr J's complaint to SPW and so it wasn't addressed by SPW or our Investigator. Before making my decision on this complaint I asked SPW for a response to Mr J's further complaint points if it consented to me considering those points as part of this complaint. In summary SPW said the following:

- It didn't give Mr J any incorrect information.
- SPW placed a trade for Mr J's transfer on 13 June 2023 and it sent him documents confirming to him that it had done that and confirming that, on 16 June 2023 the payment had left SPW's account and was sent to the correct account.
- SPW said it gave those documents to Mr J to show it had done its part of the transfer. And that was to alleviate his fears that the payment was lost.
- SPW didn't say the new provider received the proceeds on 13 June 2023. It said the trade was placed for that day and that was on a T+3 basis as outlined in SPW's prospectus.
- On 16 June 2023 SPW sent the transfer history form to the new provider.
- SPW took various steps to follow up the transfer after Mr J contacted it. And SPW was engaged with him and the bank until the bank released the proceeds on 5 July 2023.
- SPW can't know or control when the bank will need to do security checks or how long that will take.

### **My provisional decision**

I issued a provisional decision in which I said I was minded not to uphold Mr J's complaint. I said I'd consider any further comments or information from Mr J or SPW before making a final decision.

SPW said it had nothing to add. Mr J said, in summary, the following:

- SPW told him the funds had been transferred into the recipient's account. It didn't use the phrase '*payment had left SPW's account*'. It simply told Mr J the funds had been transferred to the correct recipient account.
- It was wrong to imply Mr J couldn't differentiate between money sent and money received by saying '*Mr J isn't likely to be familiar with all of the steps that need to be taken by the parties involved in an ISA transfer*'.
- When Mr J called on 22 June 2023 SPW didn't tell him its bank had asked for extra security information on 20 June 2023.

## **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'm not upholding the complaint. I'll explain why.

For broadly the same reasons as those given by our Investigator I think the time taken by SPW to complete the transfer of Mr J's ISA proceeds was reasonable. It was within the timeframe recommended by the Government guidelines and in-step with industry standards. And it was not through any error by SPW that the transfer couldn't happen more quickly than it did. Mr J has accepted the Investigator's opinion on that point.

However, Mr J said in response to the Investigator's view that he was given incorrect information by SPW. And I've considered whether I should uphold Mr J's complaint on that basis.

SPW says it didn't give Mr J incorrect information. Having looked carefully at the evidence I agree with that. When SPW told Mr J what it had done to initiate the transfer, it didn't say the proceeds of his ISA had been received by the new provider on that day. It said it had made the payment. In effect that meant SPW had taken the steps it need to take to send the proceeds onwards to facilitate the transfer.

I understand Mr J isn't likely to be familiar with all of the steps that need to be taken by the parties involved in an ISA transfer. But the terms and conditions of Mr J's account said transfers could take up to 30 days. So it's reasonable to expect he would've understood that the transfer wouldn't be instantaneous. And I don't think that's unreasonable, taking into account the Government guidance which says transfers should be done in 30 days. In saying this, I don't mean Mr J couldn't differentiate between money sent and money received. I simply mean Mr J might not have been aware of the various steps that had to be taken for the transfer to have effect and therefore he might've thought it should happen more quickly than it did. It might've been helpful if SPW had elaborated on those steps when Mr J called for updates. But overall I think SPW acted reasonably by saying in its terms and conditions that a transfer could take up to 30 days. So, whether or not he knew specifically what had to happen at each stage of the transfer, Mr J should reasonably have expected that the transfer could take up to 30 days.

When Mr J asked for updates, SPW at first didn't know why the transfer hadn't yet been processed by its bank. It took some time for SPW to find out the status of the transfer. SPW at first provided the swift code to help the new provider check for the funds. It then raised a trace which it said could take up to a week. By 29 June 2023 SPW had established that the transfer was held up by its bank. During this process I don't think SPW gave Mr J wrong information about what was happening. As I've said, and as Mr J has pointed out, SPW did tell Mr J it had sent the proceeds of his account to the new provider. But it didn't specifically say the new provider had received the funds. SPW also said the ISA had been encashed. This meant the contents of the ISA had been converted into cash. Again, SPW didn't say the cash had been received by the new provider.

When Mr J called on 22 June 2023 he specifically said he wanted to know where SPW had sent the proceeds of the ISA – and SPW gave him the name of the new provider and identifying details of the account it had sent the proceeds to. Although SPW didn't tell him at that time that its bank had asked for more information to facilitate the transfer, I don't think that means SPW gave him wrong information or otherwise acted unfairly or unreasonably towards Mr J. SPW answered his question about where it had sent the proceeds of the ISA. It wouldn't necessarily have known that the request for information from its bank would

cause a delay of any particular duration. And if Mr J wanted to know the status of the transfer SPW would still have needed to take the steps it took to establish that.

Overall I'm satisfied SPW did enough to keep Mr J informed and manage his expectations, particularly by giving him information to make him aware his ISA transfer could reasonably take up to 30 days, by confirming the bank account and new provider to which it had directed the transfer, and by telling him during the process that tracing the payment mid-transfer could take up to a week.

I know the amount of money Mr J was transferring was significant. And I understand he was uncomfortable with the time taken for the transfer to be completed, and he felt worried when he didn't know exactly what was happening during that time. But I'm not persuaded that was caused by any failure on the part of SPW. So I'm not asking SPW to do anything.

### **My final decision**

For the reasons I've set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 June 2024.

Lucinda Puls  
**Ombudsman**