

The complaint

Mr S has complained about Interactive Brokers (U.K.) Limited (Interactive). He said Interactive was responsible for a delay with an ISA he was looking to transfer to it. He said it also didn't move the money onto his account for a period when it received the funds.

Mr S would like to be compensated for the delays. He said he has lost interest on the money he was looking to transfer over.

What happened

Mr S opened a stocks and shares ISA account with Interactive on 27 December 2022. He also held a cash ISA account with a third party. He said he wanted to transfer his funds from the third party into the account with Interactive and so put in a transfer request on 24 January 2023.

Mr S said the ISA transfer took two months to complete and there was a delay. He said when the transfer was completed, he couldn't see the funds on his account for a further two weeks. Mr S said the third party finally sent his funds to Interactive on 23 March 2023. He said the transfer took two months and this was outside of the allowable time stated in the ISA guidelines for transfers.

Mr S said he didn't receive the funds in his account until 5 April 2023 by Interactive, so he had to wait a further two weeks. He said this was unacceptable and caused him considerable amounts of stress and worry as he didn't know what was happening with it. Mr S said the money that was being transferred over was his life savings and he was worried about what was happening.

Mr S said he has missed out on receiving interest on his funds whilst the delay took place. He said he would like to be compensated for the delays and the lost interest that he would have received. He said he also suffered distress and inconvenience by what had happened.

Interactive said in response that it didn't breach any provision within its own customer agreement or any violation of law or industry rules. It said it did not cause the delay to the transfer. It said there was missing information in the third party's transfer instructions. It said without an email address it was unable to carry out the transfer and this was the cause of the delay.

Interactive said the third party also didn't complete information correctly when it sent the funds over to Interactive on 23 March 2023. It said the third party didn't put Mr S's name or account number on the transfer, so the funds went to its suspense account. It said this caused a delay as it needed to investigate where the money should go. It said it was prepared to back date the interest Mr S's funds would have accrued if it had received the money and applied it to his account on 24 March 2023. It said it received the funds a day after the third party had sent it over.

Mr S does not agree with Interactive and referred his complaint to our service.

I issued a provisional decision on this complaint in January 2024. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I think it's worth saying from the outset, that I am considering Mr S's complaint about Interactive. So, I have looked into whether Interactive made any mistakes when it looked to transfer Mr S's ISA from a third party or not. I am not looking into the third party's role in the transfer. This is because the third party is not the subject of Mr S's complaint. As Interactive are, I have looked at its documentation, including its customer agreement, call notes, emails, and statements it has submitted to our service about Mr S's account. I have also considered what it has said alongside what Mr S has said, and the documents he has submitted. I have looked into what I can see happened and also where there are gaps and I can't know for sure what occurred, consider what more likely than not happened.

With what I have just said in mind, I am currently looking to uphold Mr S's complaint about the delay he experienced once the payment had been received by Interactive on 24 March 2023. I don't think I can safely conclude on the other hand, that Interactive did anything wrong before this date regarding the initial transfer from 29 January 2023 and when it received the funds from the third party. I will explain why I have arrived at this conclusion.

Was there a delay when Mr S tried to transfer his ISA from a third party to Interactive?

Mr S put in an instruction to Interactive to make the transfer on 24 January 2023. I can see an email from Mr S dated 29 January 2023, where he submits a transfer request form. So, after seeing this, I think 29 January 2023 is the date when Mr S would have reasonably expected Interactive to have started processing his transfer.

Interactive said the third party didn't transfer the funds to it, until 23 March 2023. So, between the parties, it took from 29 January 2023 to 23 March 2023, to make the transfer of funds from the third party to Interactive, this being 53 calendar days.

Mr S said that Government guidelines state that transferring cash from one ISA to another should take up to 15 days. But my interpretation of the Government guidelines is that the process should take up to 15 working days between *cash ISAs*. This doesn't apply to Mr S's transfer, where one account in the transfer request was a stocks and shares ISA. The Government guidelines states for a transfer between a cash ISA and a stocks and shares ISA that the transfer should take up to 30 calendar days.

Even so, there was a delay with Mr S's transfer. It took almost two months for the third party to transfer the funds to Interactive. So, I need to go on and consider whether Interactive was responsible for this delay or not.

In addition, when the third party transferred the funds on 23 March 2023, the money was not received in Mr S's account and instead was moved to Interactive's suspense account. This resulted in a further delay for Mr S. The money was transferred to Mr S's account on 5 April 2023. This added another 13 Calendar days onto the delay. So, Mr S had to wait, in total 66 calendar days for the money to be in his account. I need to also consider whether Interactive did anything wrong here as well.

Were Interactive responsible for the delay to Mr S's ISA transfer from 29 January 2023 to 24 March 2023?

As I have concluded above, it took the third party and Interactive 53 calendar days to get to the point where Interactive had Mr S's funds. And following the ISA guidelines published by

the Government, this ought to have taken up to 30 calendar days. I have looked into Interactive's role in the transfer and had a look at whether it was responsible for this delay or not.

I have read through a log of customer service tickets recorded by Interactive, and can see that after 29 January 2023, Mr S sent emails to it to chase up his transfer. He did this on 8 and 22 February 2023. Interactive responded to Mr S on 23 February to say it was struggling to contact the third party as it didn't have the third party's email address. Mr S then replied and said he had been in contact with the third party, and it said it couldn't provide one. Instead, Mr S at this point asked Interactive if it could call the third party.

Mr S sent another email to Interactive chasing his transfer up, on 6 March 2023. Interactive responded on 13 March 2023 and again on 20 March 2023 when it said it was still waiting on a response from the third party. Then 3 days later the funds were transferred over by the third party.

I can't be sure what happened here between Interactive and the third party, and I am aware that both have pointed to the others role in contributing to the delays. But I can see between them delays were caused with Mr S's transfer instruction.

That said, I have read that Interactive did say it was struggling to contact the third party on 23 February 2023 and that it was still waiting for a response from the third party on 20 March 2023. It does suggest to me at the very least that it was attempting to make the transfer happen, sooner than it did. Interactive said it needed an email address from the third party to complete the transfer, and I can see that it was chasing the third party for this. I don't think interactive were making an unreasonable request by asking the third party for an email address, so that it could complete its side of the transfer.

Ultimately though, I can't be sure, based on what I have in front of me, who was responsible for the delay between the parties. I've seen enough that shows me Interactive made at least some effort to chase and conclude the transfer, and I've not, so far, seen enough information that shows me it contributed to the delay.

So, in the absence of any further information about this period, I don't think I can safely conclude that Interactive was responsible for the delay that occurred before 23 March 2023. On balance, I am currently minded to not uphold Mr S's complaint about Interactive's role in the delay up to 23 March 2023.

Was Interactive responsible for the delay from 24 March 2023 when it received the funds to 5 April 2023 when it paid the funds on Mr S's account?

The third party sent the funds on 23 March 2023, and Interactive said it received the money on 24 March 2023. I don't know why it took a day for the funds to move from the parties here. But Interactive has been clear that it received the funds on 24 March 2023. So, in the absence of anything that shows me otherwise, I will proceed that this was the case.

Mr S was quick to chase up the payment and why it wasn't on his account. He sent a message to Interactive on 28 March 2023. Interactive has sent a record of emails it sent to the third party on 30 March 2023 and 5 April 2023 where it is asking for it to resend information. Interactive has explained that this is about the third party not putting Mr S's name or an Interactive account number on the transfer. It said this is the reason why the money went to its suspense account.

I acknowledge what Interactive has said here about what happened and why. But I can also see Mr S had to this point been in regular communication with it. Interactive would have

been well aware that it was due to receive funds from the third party, and as I have already concluded, it was making attempts to chase the third party and make the transfer happen. So, I think it ought to have been able to identify Mr S's funds and move them to his account a lot sooner than it did. After all, it would have already held the information it said it needed from the third party. As the receiving party, Interactive was one of the parties responsible for making this transfer happen. So, I currently think it ought to have been more proactive at resolving the issue with Mr S's funds once it had received them on 24 March 2023.

Interactive said it would back date interest from when it received the money on 24 March 2023 to when Mr S received the funds in his account on 5 April 2023. For the reasons I have given above, I would have recommended it did this, if it hadn't agreed to do it already. I uphold Mr S's complaint about the delay caused between 24 March 2023 and 5 April 2023, and currently find that, in the circumstances of this complaint, Interactive were responsible for this delay.

Mr S said he expected the funds to be in his account by 24 March 2023 and when this didn't happen, it caused him a great deal of stress and anguish. He said the funds represented most of his life savings and that he was worried that the money had disappeared. He said he contacted Interactive but didn't receive a response. I can empathise with Mr S about what he has said here. Mr S contacted Interactive on 28 March 2023, but he didn't receive a response from Interactive that I can see until it had resolved the issue on 5 April 2023. So, for 8 calendar days Mr S was left to worry about what was happening. I am currently minded to think Interactive caused Mr S distress and inconvenience by the mistakes it made once it received the funds from the third party. So, I think it needs to put things right here too."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Mr S replied on 2 February 2024 and said, if I couldn't conclude interactive had been responsible for the delay that occurred before 23 March 23, then who was responsible? He said the third party needed Interactive to provide it with an email address. It seems to Mr S that it was Interactive that were just sitting on his request and not calling the third party.

Interactive replied on 6 February 2024. It said it accepted my decision but initially it said it had already paid interest of 18p on the account. It initially, said there was no basis to award Mr S any additional interest.

I had concerns about the amount of interest Interactive said it had paid Mr S for the dates in question. So asked it for a breakdown in how it arrived at that figure when it calculated the backdated interest.

Interactive responded on 4 March 2024, and said upon further review it had miscalculated the interest owed to Mr S. It said Mr S should have earned around £68 in interest based on rates on offer at that time. Interactive said it would credit Mr S with this sum along with providing the payment for distress and inconvenience that it has agreed with.

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.

Mr S has made a couple of points about what happened during the transfer and who was responsible. I acknowledge what he is saying.

I concluded in my provisional decision that I hadn't seen enough that I could say Interactive were responsible on this occasion. And my decision about the transfer hasn't changed. I haven't seen enough from the information provided by the parties, that I can conclude Interactive were responsible for the delay here.

Neither party has anything new to add that I feel I need to comment on or that will change the outcome of this complaint. So, because of this, I don't see any reason to depart from my findings within my provisional decision. So, I uphold Mr S's complaint for the reasons given in my provisional decision and Interactive now needs to put things right.

Putting things right

Interactive now needs to do the following to put things right:

- Pay interest on Mr S's funds, as if they had been transferred to his account on 24 March 2023, using the interest rate that would have applied at that time for his account. So, it should pay interest on the transferred funds from 24 March 2023 and 5 April 2023 and apply this to the cash balance of Mr S's account. It should provide Mr S with a breakdown of how it calculated this.
- Pay Mr S £200 compensation for the distress and inconvenience it caused by delaying payment of his funds to his account between 24 March 2023 and 5 April 2023.

My final decision

My final decision is that I uphold Mr S's complaint about Interactive Brokers (U.K.) Limited. I direct Interactive Brokers (U.K.) Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 April 2024.

Mark Richardson
Ombudsman