

The complaint

Mr and Mrs G complained about the wording of an Individual Savings Account (ISA) declaration form used by Coventry Building Society (Coventry); how they dealt with a subsequent complaint, and how they spoke to Mr G by telephone. I have just referred to Mr G in this decision although this matter also concerns the ISA accounts of Mrs G.

What happened

I set out the background and my provisional findings to the complaint in my provisional decision, and copied here.

In June 2023, Mr G wanted to open a cash ISA account with Coventry into which he planned to transfer previous years' ISA subscriptions - also held with them - to obtain a better interest rate. This was the only purpose for the account as he had already subscribed new monies into a new cash ISA in that tax year with another provider.

Mr G was concerned about agreeing to a particular sentence within Coventry's ISA declaration form which stated, "I have not subscribed and will not subscribe to another cash ISA in the same year that I subscribe to this cash ISA". As he had recently opened and funded a cash ISA with another provider in the same tax year, he considered that agreement to this sentence would constitute an untruth so brought this up with Coventry in a telephone call.

Coventry did make attempts to explain some context around the wording and the declaration. They tried to convey that regardless of the opening and funding of the ISA elsewhere, the action of Mr G opening and moving previous years' contributions is not classed as a subscription and therefore he could sign the declaration without concern. Mr G asked if Coventry could put in writing what they had explained by telephone but despite referral to a manager, they declined.

The result of this conversation was Coventry offering to log a complaint which Mr G declined, preferring to write a complaint letter himself. Coventry investigated and provided a final response in which they did not uphold Mr G's complaint stating the wording is mainly provided by His Majesty's Revenue and Customs, that they could not open the ISA account without Mr G's agreement to the declaration, but he could seek financial or legal advice if he wished. Finally, they found no errors in the way that Mr G was spoken to. Mr G was unhappy with Coventry's response, so he brought the matter to our service.

Our investigator did not uphold the service aspect of the telephone calls, nor the way that Coventry dealt with the complaint. However, they did uphold the complaint concerning the ISA declaration. They said that Coventry's refusal to confirm the information in writing prevented Mr G transferring his ISAs to an account at a better rate. The investigator said that a fair resolution would involve Coventry writing to Mr G to advise he could open an ISA for the purpose of transferring previous contributions, and they should pay Mr G £250 compensation for his upset and time.

Coventry agreed to this resolution, however Mr G did not, saying that he remained unhappy with Coventry's stance on the declaration and some of the wording in the investigator's view. Consequently, Mr G requested an ombudsman review his complaint.

What I've decided – and why

I have looked carefully at all the information Coventry have provided to see if it has acted within its terms and conditions, followed due process, and to see if it treated Mr G fairly. I've also spent some time listening to the relevant phone calls between Mr G and Coventry.

I was sorry to learn that what should have been a straightforward enquiry about ISA paperwork has escalated into an unnecessarily stressful experience. Part of my role is to determine whether what took place was reasonable and whether Coventry followed the process correctly.

After listening to the telephone call that Mr G made to Coventry in which he questioned the wording, and was subsequently transferred to their complaints team, I want to address two significant aspects of the complaint, one of which our investigator also highlighted.

Firstly, I don't believe that Coventry put enough effort into the explanation about the wording, as had the staff member taken time to break down the sentence and relate it to Mr G's circumstances, I do think this would have helped the situation.

In fact, I'm convinced that the Coventry staff member thought that Mr G was asking for the declaration to be re-written whereas I believe that all Mr G wanted was a simple extra letter or email clarifying that his circumstances meant that he could freely sign the declaration. I think this is what Coventry should do now.

Furthermore, when the staff member returned to Mr G after they said they were referring to a manager, they offered an alternative to Mr G's reasonable request which was to 'log a complaint and send a final response' which in the circumstances, was of little use to Mr G.

And the second aspect is the request itself which our investigator mentioned. It's disappointing to hear Coventry refuse to send something in a written format which they were happy to deliver verbally.

In terms of how Mr G was spoken to within the call, I agree with the investigator that this part is not upheld as I don't think it was unreasonable and I haven't found an error.

My understanding is that Mr G was perfectly entitled to transfer previous years' ISA contributions to a higher rate ISA in the same tax year as that in which he opened a separate ISA for new money contributions.

The moving of previous year's contributions has no impact on current year's subscriptions meaning Mr G could have signed the declaration in good conscience as the sentence in question was not applicable to his circumstances. I think Coventry's actions denied Mr G the opportunity to open the ISA he was attempting to start. And so, I currently think Coventry should allow Mr G to open an ISA on the terms available in June 2023, if he still wishes.

I turn now to the delay caused in the receipt of Mr G's complaint. I think that had Mr G used an address taken from Coventry's website, I believe this would have significantly increased the chances of it being received in a reasonable timeframe. I attribute the delay to the decision Mr G made to source the address from a non-Coventry website.

One aspect of Coventry's response to Mr G's complaint letter was the absence of any reference to the fact that Mr G addressed it to their CEO. Whilst regrettable, I regard it as a smaller point although I'd like Coventry to note it for future complaints.

I agree with the investigator that Mr G was put to considerable trouble and inconvenience in trying to gain definitive answers from Coventry about his ISA application, and I currently think the £250 compensation for this is fair and reasonable in the circumstances.

Finally, I did want to suggest if Mr G remains concerned about the declaration wording and wanted to pursue his points, that he can raise them in writing to the Financial Conduct Authority. He should be aware, however, that the Financial Conduct Authority won't consider individual complaints.

What I provisionally decided and the parties' responses

Having added details to our service's findings on this complaint, I provisionally decided that Coventry write to Mr G with a confirmation of what they said in his phone call, they backdate the interest difference between the rate on Mr G's ISA since June 2023 and the rate that would have been applied had he opened the account, and pay £250 compensation as a total to Mr G.

Mr G agreed with many of my points but not with some. Coventry responded to say they had nothing further to add.

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'm pleased that Mr G agreed with some of my points, and I've addressed below, those which he didn't.

Mr G talked about 'in your point 5.f. you've said 'not means not' which cannot be interpreted otherwise without appropriate qualifying wording'. It is this appropriate qualifying wording that I have asked Coventry to provide.

I would like to say that I never wished to imply foolishness or recklessness in Mr G sourcing Coventry's address from a non-official website however, the point still stands that Mr G chose to use a non-official website therefore accepting the associated risks of doing so, regardless of how convincing the logos were.

In terms of Mr G's point about Coventry only diverting their mail for a certain period and not monitoring other websites, this isn't something we can instruct them to do but as I mentioned in my provisional decision, Mr G has the option to liaise with the FCA.

Being asked for identification more than once in the same call is onerous but not uncommon, especially in calls in which a customer speaks to more than one individual or department.

Finally, I turn to the ISA declaration form containing the wording that lies at the heart of this complaint. Separate, but linked to the ISA declaration form in question, I acknowledge Mr G recently sent a copy of a Coventry ISA transfer form which I understand Mr G thinks should have been used *instead* of the ISA declaration form. This would mean that effectively, Coventry made an error in requiring Mr G to complete the ISA declaration form and agree to its wording.

Consequently, I have been in communication with Coventry about this. They have provided clarity that the ISA transfer form is not used instead of the ISA declaration form, but is used alongside it i.e., an ISA declaration form is used to open an ISA, and an ISA transfer form is then required to transfer ISA accounts, as Mr G was intending. Coventry did not omit the ISA transfer form; it was simply not required as Mr G refused to sign the ISA declaration form. Had he not refused, the ISA transfer form would then be required.

I'm glad we agree that the statement in question "I have not subscribed and will not subscribe to another cash ISA in the same year that I subscribe to this cash ISA" is not applicable. However, if Coventry insist on the ISA declaration form containing this being signed in order to process the application, they are entitled to stipulate this, along with any specific additional wording relating to Mr G which I've asked Coventry to provide.

Mr G has asked that I refer this matter to the FCA on his behalf. It is for a consumer to refer issues of concern they may have to the FCA, but should be aware that the FCA will not consider individual complaint.

My final decision

For the reasons I have given here and in my provisional decision, this complaint is upheld in part. I require Coventry Building Society:

- Write to Mr G with a confirmation of what they said in the phone call giving him reassurance that he is able to freely sign the declaration in his circumstances. This is assuming that Mr G still wishes to proceed with opening the ISA account he planned to open in June 2023.
- Open the ISA account backdating the interest difference to when it should have been opened had Mr G signed the declaration. For clarity, by interest difference, I am referring to the difference between the rate applicable to Mr G's ISA since June 2023 and the rate that would have been applied had the account been opened successfully in June 2023. This is assuming that Mr G still wishes to proceed with

opening the ISA account he planned to open in June 2023.

- Pay a total of £250 compensation for Mr and Mrs G's upset and time in dealing with this issue.

The above applies to the ISAs of both Mr and Mrs G as I understand that Mr G's plan was exactly the same for Mrs G.

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

Chris Blamires
Ombudsman