

The complaint

Mr R complains about the customer service he received from Yorkshire Building Society when trying to locate a payment sent from his account with another bank. Mr R said his complaint was badly handled and he doesn't think the compensation offered is sufficient.

What happened

On 15 September 2023 Mr. R was transferring £1,800 from his savings account with another bank to his ISA account with Yorkshire and requested the account details at the branch. Yorkshire messaged Mr R to say he would need to complete a declaration form and a 'break in subscriptions' flag was applied to his Yorkshire ISA as no payments had been made for a long time. The transfer did not complete, and Yorkshire told Mr R his money would be sent back to an account he held with another bank.

Mr R complained to Yorkshire. Yorkshire said a member of its branch staff had made an error in not making Mr R aware of the requirement to complete the form during a call. Yorkshire said it had now received the form and once Mr R made the deposit it would backdate this to the original date of his application. It said it messaged Mr R that the funds had been returned on 15 September 2023 and notified him by email that he had a message.

With the completed declaration form Yorkshire removed the barrier to the account on 15 October 2023, and Mr R's ISA was then able to receive funds. Yorkshire apologised to Mr R for providing poor service and offered him £80 compensation. Mr R didn't feel this was enough for the problems he had faced and referred his complaint to our service. He said he didn't receive a call back when promised and the recordings of two calls he had with Yorkshire were missing.

Yorkshire reviewed Mr R's complaint and said it had been wrong about the banks involved and the deposit but had returned Mr R's funds to the correct, sending bank. It said the form was required as Mr R hadn't paid to the account since 2020, but this should have been completed at branch or online. Yorkshire said its branch manager called Mr R the day after his visit. It said it had now backdated interest to the application date, 15 September 2023 and offered additional compensation of £100 for the errors made.

Yorkshire said Mr R could have credited funds into the account in October 2023 rather than waiting until the end of December 2023. It said he would still have received interest on his funds from his other bank during this period and there was no other financial detriment. Mr R rejected Yorkshire's offer and said he wants £500-£600 compensation for the stress and inconvenience he has been caused by Yorkshire's errors and he asked for call recordings saying he had called twice in September 2023. Mr R referred his complaint to our service.

Our investigator said we can't consider complaints about complaint handling as this isn't a regulated activity. She said there's no dispute that Yorkshire failed to tell Mr R what was required to transfer funds into his ISA account. But Yorkshire had put Mr R back to where he would have been had this error not occurred by backdating the interest. And she said Yorkshire's offer of £180 compensation was a fair reflection of the distress and inconvenience he had been caused. She didn't recommend that the complaint be upheld.

Mr R disagreed with this outcome and requested an ombudsman review his complaint. He said Yorkshire had the outbound calls made to him but not the inbound calls and he didn't think its call notes matched up with what was discussed. The investigator obtained further call recordings from Yorkshire, but these didn't change her view of the complaint.

A representative for Mr R said that when Mr R called Yorkshire in November 2023 he asked if all calls had been listened to and was told that two calls in September 2023 had been, with notes of the other calls seen. In which case, the representative said, Yorkshire would have known where the funds were transferred from. He said all calls should be retrieved.

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.

As our Investigator explained, complaint handling isn't a regulated activity. This means that it is outside the jurisdiction of this service and so I can't consider what Mr R has said about the way Yorkshire handled his complaint.

I was sorry to learn that what should have been a straightforward process of transferring funds into an ISA has turned into a prolonged and drawn-out experience. Part of my role is to determine whether what took place was reasonable and whether Yorkshire has done enough to put Mr R back in the position he would have occupied but for its error. And so I have looked at whether it has offered fair compensation for his distress and inconvenience.

Mr R was unhappy with the clarity of the information provided by Yorkshire and thought he'd lost interest on his funds because the account wasn't set up. After a few confusing and ill-informed calls between Yorkshire and Mr R, which we've listened to, the issue was resolved.

I'm glad to see Yorkshire's acknowledgment and apology to Mr R for its error in giving him the wrong information on what was required to action the transfer. I hope that Yorkshire sees this complaint as an opportunity to improve its communications to customers. Yorkshire has said its branch manager has given feedback to the member of staff involved.

I have seen that although Yorkshire named the wrong bank in its letter addressing Mr R's complaint it did in fact send the funds to the correct bank and on the same day they were received. The way was clear for Mr R to transfer his investment to the ISA in October 2023, but he did not do so for several weeks later. It's not clear to me why there was a further delay, but the important point is that Yorkshire has backdated the interest to 15 September 2023 when Mr R first applied and sought to transfer funds. The interest has been applied to Mr R's intended investment of £1,800, from within a larger investment he made in December 2023.

And so I am pleased that any potential financial loss has been addressed. I have gone on to consider the compensation of £180 offered by Yorkshire in respect of Mr R's distress and inconvenience. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome, but to be expected. It's the impact of the errors made over and above that which we consider to determine if an award of compensation is merited, and if so, how much.

Mr R said he wasn't sure why his transfer hadn't been completed, or the form he was required to complete and where his funds had been returned. The declaration form is a legal requirement and had to be completed prior to the transfer regardless of the incorrect information.

I've seen Yorkshire's 'Secure Message' to Mr R on 15 September 2023 available to view on Mr R's online service. A notification to advise him of the message to view was also sent to

the email address Mr R provided to Yorkshire in his application form when he opened his ISA account in March 2020. The message said that Yorkshire couldn't accept Mr R's payment and had returned it to the account it had come from pending his completion of the declaration form. It set out the ways the declaration form could be completed.

This was helpful advice, but does not remove the fact that had Yorkshire given the correct information in its calls with Mr R he wouldn't have had to visit his other bank branch twice to send the transfer.

Whilst I agree an error was made, our awards aren't designed to punish firms. And I haven't seen or been made aware of any other significant impact caused to Mr R which would require Yorkshire to increase its compensation award.

Having considered all the circumstances of Mr R's complaint I think Yorkshire and the investigator are correct to say that £180 compensation (in addition to recompense for the lost interest on his investment) fairly and reasonably recognises the unnecessary distress and inconvenience Mr R had been caused. I realise that Mr R will be disappointed by this outcome though I hope he appreciates the reasons why it had to be this way.

The payment of £180 compensation is still available to Mr R and if he wishes to accept it he should contact Yorkshire, or our investigator and the payment can be made.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 September 2024.

Andrew Fraser
Ombudsman