

The complaint

Ms N complains about the delay Yorkshire Building Society (YBS) caused in their processing of a cash ISA transfer to another financial institution (which I'll call A). As a result, Ms N says she was caused inconvenience and stress, uncertainty, and existing health conditions were exacerbated.

What happened

In September 2023, as Ms N had a fixed rate cash ISA maturing with YBS, she shopped around and subsequently opened a new ISA with A to secure a desired interest rate. Ms N then made arrangements with A to transfer the funds from YBS.

Over the next three months, Ms N made contact with YBS many times as several errors were made including the loss of ISA transfer cheques by YBS, and misleading information being given during the multiple calls. I won't go into a specific sequence of events as our investigator did this thoroughly in the view they issued in April. Suffice to say, Ms N spent a lot of time trying to sort out the ISA transfer, the majority of which should not have been necessary. Additionally, several requests for a manager at YBS to call back Ms N were agreed to, but not fulfilled.

Ms N complained to YBS about the delay, inconvenience, distress, and uncertainty they had caused. YBS investigated the complaint and issued a final response letter. In it, they agreed that Ms N didn't receive the high standard of service that they aimed to provide and therefore, upheld the complaint. To say sorry, they issued a cheque for £125.

Ms N was not satisfied with this and brought the complaint to our service. She provided more detail about how she had been impacted but was escalating the complaint to ensure a more appropriate level of compensation for the errors made by YBS.

Our investigator looked into the complaint and Ms N's concerns, liaising with YBS as necessary, and issued their view. In it, they didn't think that YBS had acted fairly. They felt that YBS should pay Ms N an additional £175 (making a total of £300) to reflect the trouble and upset.

YBS responded to say they had no further comments to make and they accepted our investigator's recommendation to increase the redress to a total of £300. Ms N responded saying that she did not think the £300 reflected the traumatic experience she had gone through, and requested an ombudsman review her complaint. Ms N ended her response by requesting YBS pay at least £1000 as compensation.

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 have looked at the information YBS has supplied to see if it has acted within its terms and conditions and to see if it has treated Ms N fairly.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I was sorry to learn that what should have been a straightforward cash ISA transfer turned into a prolonged, stressful experience. Part of my role is to determine whether what took place was reasonable, whether YBS followed processes correctly, and whether Ms N did all she could as a customer to work with them.

One aspect I want to make clear is that this service cannot address any concerns that Ms N has raised about A - the bank to whom she transferred the ISA - and I note that Ms N has raised a complaint separately with A.

What's not in question is that errors were made; specifically, the delay of the transfer, the customer service received, and the misleading information in multiple calls. I'm satisfied that within YBS's apologies and the actions they took, they treated her fairly.

Turning to the compensation offer, currently of £300, it seems this is now the most significant aspect of the complaint. And, I agree with our investigator that the £125 that YBS initially offered did not accurately reflect what Ms N went through.

In terms of compensation, I consider Ms N's complaint to fall *between* two of this service's guidelines. The first one being between £100 and £300 compensation, and the second being between £300 and £750 as I believe there are elements of this complaint mentioned in both.

The guideline for below £300 talks about a large single mistake made (in this case along with other, smaller mistakes) which required a reasonable effort to sort out. And I acknowledge these resulted in an impact that lasted three months and did cause distress, inconvenience, disappointment, and loss of expectation.

The higher value compensation guideline (over £300) talks about considerable distress and worry, and significant inconvenience which to an extent, I also acknowledge. In my view, looking through the lenses of fairness and reasonability, I find the current offer of £300 is accurate, being that aspects of both compensation categories are involved,

Additionally, considering that YBS did complete the transfer whilst ensuring credit interest was addressed, there was no material loss, and Ms N was never deprived of the funds involved (I acknowledge *cheques* were lost but not the *funds*), I cannot fairly require YBS to do anything further. I do want to ensure Ms N knows that I have read her most recent communication to our investigator in which she mentioned the effect this has had on a family commitment of hers. I'd like to reassure Ms N that I have taken this into account.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. In view of the fact that YBS have already credited Ms N with £125, I require Yorkshire Building Society to pay Ms N further compensation of £175 to ensure she receives a total of £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 1 August 2024.

Chris Blamires
Ombudsman