

## The complaint

Mr S complains that OakNorth Bank PLC made errors in carrying out the transfer of his ISA and of the service provided by it when trying to remedy them.

## What happened

On 6 October 2023 Mr S requested a transfer of his ISA from his former provider (S) to OakNorth. When that ISA matured, S accepted the application on 1 November. At that point Mr S began contacting OakNorth to ask if it had requested transfer of the full amount of his former ISA. OakNorth said that it had and Mr S explained that he only wanted £85,000 transferred. OakNorth's adviser then put the call on hold and then proceeded to cancel the transfer. When she informed Mr S, he said he did not want that done as his former ISA had already been cancelled and the funds would go to a holding account. So he asked OakNorth to reinstate the transfer of the full amount.

OakNorth says the matter was resolved on that day, it contacted S by email and the full amount of his ISA was transferred to it. When Mr S complained it apologised for the service provided to him when its adviser cancelled the application without telling him first. However it did say that Mr S had requested in his application for the full amount of his former ISA to be transferred when he should have selected a partial transfer. For its admitted poor service it paid him compensation of £75 and a further £25 for some misinformation given to him in an email about the interest rate. As a further goodwill gesture it said that it would backdate the ISA to the date of the application in October meaning that he would receive the interest for that month on both his old and his new ISAs.

Mr S initially accepted this but says he wasn't told about the ISA then maturing in October rather than November 2024, which would cause him difficulties with his investments. He also complained that he had spent an inordinate amount of time on the phone to OakNorth particularly on 6 November and that his business suffered as a result. He said that the application form was not clear as he knows he selected a partial transfer – and if that is missing or is overridden by OakNorth's internal procedures and controls, then clearly that is not fair from a customer point of view. He also said he was subjected to intense and aggressive questioning by a supervisor on 17 November when he had only called to try to get a simple update as to his complaint's progress.

When Mr S complained to the Financial Ombudsman Service, our Investigator agreed that Mr S had been caused distress and inconvenience. He thought that the overall amount of £100, together with the additional interest he gained was fair and reasonable when looking at the circumstances of this complaint.

Mr S didn't agree, and the matter was passed to me for an Ombudsman's consideration.

I issued a provisional decision. I said that I thought the overall payment of £100 was fair and reasonable. I also reviewed the way Mr S's complaint was handled and I said I thought it had been handled reasonably.

Neither party made any substantive comments on my provisional findings.

## 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.

My provisional findings are set out below, in italics:

*“The Financial Ombudsman Service is an informal alternative dispute resolution service. Given that, my role is to decide what is fair and reasonable given the circumstances of this complaint, rather than to address every single point that has been made. And for that reason, I am only going to refer to what I think are the most important points. But I confirm have read all of the detailed submissions from both sides I have taken them into account in reaching this decision.*

*As regards the actual transfer, I think it's important to note that OakNorth did not use its own forms but rather carried out the transfer via an external cash ISA transfer service. In the form Mr S was presented with the following alternatives:*

*“Please select from the following TWO options:*

*1. Transfer full balance of all previous tax years:*

*Note*

*OakNorth will request a transfer of your full previous tax year subscription.*

*Please enter your previous tax years subscription transfer amount (please enter an estimated figure)*

*2. Transfer partial balance of all previous tax years (i.e. some funds will remain in your existing ISA):*

*Note*

*OakNorth will request a transfer of the exact figure you provided below.*

*Please enter the balance amount to be transferred to your OakNorth Cash ISA (please provide the exact figure).”*

*OakNorth says that Mr S selected the first option, whilst estimating the transfer amount to be £85,000. So it says that this is the reason why it requested the full balance be transferred. If he had wanted only £85,000 transferred, leaving the rest of his funds in his other ISA, then I think the form makes clear that he should have selected the second option. I have to bear in mind that, being the transferee of the ISA, OakNorth would not have been aware of the full value being transferred. And, despite what Mr S says the evidence from the phone calls set out in detail in the final response letter show that it wasn't until the first phone call on 6 November that he made OakNorth aware that he only intended for part of the ISA fund - £85,000 - to be transferred.*

*I am of the view that, even at that late stage, the transaction could have gone ahead in the way that Mr S intended. This is because when he first contacted OakNorth on 6 November, the transfer of the monies had not yet taken place. I appreciate that Mr S decided at that stage that he would rather the transfer of the full sum went ahead, and he may have needed to reinvest the balance. That was his decision to make and I understand that OakNorth accomplished that transfer later that day.*

*I appreciate that Mr S says he spent a long time on the phone to OakNorth and S on that day, so as to bring about the transfer of the necessary sum. I don't have any details of Mr S's interactions with S, but from the documents supplied to us by OakNorth, S specifically stated that it had a dedicated email service for dealing with ISA transfers. OakNorth used that service and the transfer of the full sum was accomplished later that afternoon. Mr S says that S told him that OakNorth had rejected the transfer, but OakNorth denied that. If I thought that OakNorth hadn't taken any action and left it all up to Mr S, I would say that it was responsible for the later confusion concerning updating the ISA and the maturity dates. However I don't think from reviewing the evidence, that that was the case so I think that OakNorth's offer of compensation for its error, of £75, was appropriate. I understand that it offered a further £25 in respect of Mr S receiving an email setting out the wrong rate of interest. Again I think that was appropriate.*

*As regards the actual service given to Mr S, I have taken into account the way his complaint was handled. As it is part of his overall complaint, to my mind it has to be looked at in that context. This particularly concerns what happened in a telephone call Mr S had with OakNorth on 17 November 2023.*

*On that date Mr S rang and asked to speak to a senior member of the OakNorth team and he was duly transferred through. Essentially I understand that Mr S did not expect to be questioned about his demand for compensation. It is clear that the phone call went on for some time, but Mr S had made a demand for compensation based on the fact that he had had to close this previous ISA. But in any case where a financial loss is asserted, proper documentary proof would be needed and it was clear that Mr S didn't have that sort of proof, hence the need for a long conversation about it. And I do bear in mind that at several points in the conversation Mr S was offered the opportunity to talk about it further when he had any such proof. And indeed I note that he spoke again with OakNorth about his alleged financial losses three days later. Overall, I don't think I can criticise OakNorth for the way it handled this particular telephone call.*

*OakNorth offered to backdate the ISA to the date of Mr S's application so that he started earning interest from that date rather than the date the transfer went through. I understand that he accepted the offer, but tells us that he still expected the ISA to mature in November 2024. But OakNorth said that it will still be a 12 months ISA. There's nothing wrong with backdating an ISA, for instance financial providers will often backdate an ISA to the date a cheque was written rather than cleared. And as OakNorth also pointed out to Mr S, this offer would give Mr S the added benefit of interest running with both OakNorth and S for a month. The further benefit of this is that the ISA matures earlier leaving Mr S with the opportunity of reinvesting a month sooner than he expected. And he has the benefit of a full month's interest payment (over £500) a month earlier.*

*As I don't think that Mr S made any financial loss due to OakNorth's error in cancelling the transfer, I can't say that it needs to do anything differently. I think it fair that the ISA should mature after 12 months.*

*So overall my view is that in respect of its initial error and poor service, OakNorth has made a reasonable payment of compensation of £100."*

*As neither party has made any substantive comments on my provisional findings, I remain persuaded by them. Those findings are now final and form part of this final decision.*

### **My final decision**

*I don't uphold the complaint.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 September 2024.

Ray Lawley  
**Ombudsman**