

The complaint

Mrs N complains about the way Shawbrook Bank Limited dealt with the transfer of her cash Individual Savings Account (ISA) to a building society.

Mrs N's husband, Mr N, has brought the complaint on her behalf.

What happened

Mrs N held a fixed rate cash ISA with Shawbrook which matured on 21 November 2023.

Mrs N decided to transfer her ISA from Shawbrook to a building society, which was offering a one-year fixed rate cash ISA at a rate of 5.2%.

Mr and Mrs N say they started the process to transfer the ISA before it matured. But it was not until 18 December 2023 that the transfer was completed.

Mr and Mrs N complained to Shawbrook about the delay. They said their building society had told them the first transfer request was rejected because the account number on the ISA transfer form did not match Shawbrook's records. They had spoken to Shawbrook several times to ask why the transfer had not gone ahead and it confirmed they had used the correct account number. They say Shawbrook suggested that the transfer might have failed if they had not quoted its sort code together with their ISA account number.

Although Mr and Mrs N visited their building society more than once, they say it was not until the society's manager spoke to Shawbrook that the ISA transfer completed. By that time, they had lost out on the higher fixed rate of 5.2% and received a lower rate of 4.9%, resulting in a loss of interest of £218.

Shawbrook Bank said it received the first electronic request to transfer Mrs N's ISA to the building society on 14 December 2023 and it completed the transfer on 18 December 2023. It said that if its sort code had not been quoted on the original transfer request, the building society would receive an automatic reject message. As Shawbrook did not think it had made any error it would not compensate Mrs N for the lost interest.

Mr and Mrs N asked us to look into their complaint. Our Investigator ultimately did not uphold the complaint. She didn't think Shawbrook was responsible if the details on the ISA transfer form were not correct, having confirmed the correct account details to Mr and Mrs N. As such, she said Shawbrook did not need to pay Mr and Mrs N any compensation.

Mr and Mrs N asked for an Ombudsman's review. In summary, they said Shawbrook had caused the delays by giving them incorrect and conflicting information about why the transfer might not have gone ahead. This included telling them the transfer had been suspended and that the transfer form didn't have a sort code. Shawbrook also suggested that the transfer might have failed because the application didn't have a 'CISA' number on it. But their building society had told them major banks and building societies had stopped using this code years ago. Shawbrook had not completed the transfer within the required 15-day timescale and they had lost interest as a result.

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 am sorry to disappoint Mr and Mrs N again, but I don't uphold their complaint. I will explain my reasons.

I've listened to Mr and Mrs N's telephone calls with Shawbrook, including one on 14 December 2023 when their building society manager called Shawbrook during Mr and Mrs N's visit to the society's branch. I've also read all Mr and Mrs N's letters and I've looked at the evidence Shawbrook has provided to us. Having done so, I have come to the following conclusions:

I've not seen any evidence to suggest that Shawbrook received Mr and Mrs N's ISA transfer request before 14 December 2023. I entirely accept that Mr and Mrs N started the transfer process before their ISA matured. But I've seen Shawbrook's internal search against Mr and Mrs N's ISA account number and I'm satisfied it did not receive their application earlier than 14 December 2023.

I'm also satisfied that Shawbrook explained to Mr and Mrs N during their telephone calls to it that it had not received their ISA transfer request. Shawbrook confirmed the correct account number, and Mr N said that the number was the one he had quoted for the ISA transfer. But Shawbrook also correctly explained that Mr and Mrs N needed to quote its 'sort code' in their transfer request. A sort code is the unique number that identifies each bank. Shawbrook told Mr and Mrs N that the transfer must quote the correct sort code combined with the ISA account number. If not, the ISA transfer would 'bounce back' to the building society without reaching Shawbrook's ISA department.

Mr and Mrs N's building society manager discussed the missing sort code with Shawbrook on 14 December 2023 and Shawbrook confirmed the correct code. So even though Mr and Mrs N quoted their ISA account number correctly, I think it's more likely than not, on balance, that the transfer failed because of the missing sort code.

Mr and Mrs N were understandably frustrated at the delay. They say Shawbrook told them the ISA transfer had been 'suspended'. I've listened to their calls with Shawbrook and I've not heard anything to suggest Shawbrook told Mr and Mrs N that the transfer had been suspended. Rather, Shawbrook said that there was nothing in its internal records to say that it had received their ISA request.

I understand Mr and Mrs N say their building society told them that it did not use a CISA number on an ISA transfer application. So I can appreciate why they've raised this point. Shawbrook did, as they say, discuss a CISA number with them. But Shawbrook didn't say it required a CISA number on the ISA application. Rather, Shawbrook told Mr and Mrs N that it would use the CISA number to track the transfer request. Shawbrook explained to the building society manager on 14 December 2023 that when Shawbrook received the transfer this would show on its internal system together with a CISA number.

I don't think it's likely, on balance, that Shawbrook received Mr and Mrs N's correctly completed request to transfer their ISA to their building society until 14 December 2023. It follows that I think that Shawbrook transferred Mrs N's ISA to their building society promptly. The transfer completed on 18 December 2023, which is within the required timescales for an ISA transfer.

I do appreciate Mr and Mrs N had a frustrating time and Mrs N lost out on a more attractive

interest rate. But I've not found that the delay in the ISA transfer was due to any error by Shawbrook or because it misled them about the progress of the application. This means that I can't fairly require Shawbrook to pay Mrs N any compensation.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 24 October 2024.

Amanda Maycock
Ombudsman