

The complaint

Mr C is unhappy about the service he has received from Shawbrook Bank Limited (“SB”) when transferring his ISA from another provider. In particular, he is unhappy that the transfer was unsuccessful on the first attempt due to an issue in selecting the appropriate business from the drop-down list available.

What happened

Mr C wished to transfer his ISA held with another provider to SB’s one-year Fixed Rate Cash ISA. On 22 September 2023 Mr C completed an electronic transfer in request selecting a provider (“A”) from a drop-down menu. The transfer was rejected with the response ‘account could not be found’.

Mr C contacted SB by secure message about this on 25 September noting that he’d been unable to contact A’s ISA department.

The following day Mr C called SB who explained that the transfer should’ve been to a different bank (“B”) according to the sort code Mr C provided and SB’s agent initiated a new transfer request.

On 28 September SB wrote to Mr C to confirm that the transfer in request had been accepted by B. 15 days are allowed for the transfer to complete and the transfer completed within this timeframe on 29 September with SB confirming this and that the funds were in the account.

Mr C complained to SB that his initial transfer request from A was rejected. SB didn’t uphold Mr C’s complaint as Mr C’s ISA transfer was completed within the 15-day time scale. Mr C was dissatisfied with this response as he believed there was a redundant option for A in the drop-down list for an electronic ISA transfer.

SB explained that A’s brand was brought by another banking group in 2018 and SB has said its system offers options for all those that sit under the A umbrella and the customers can select any of these from its drop-down menu. SB acknowledged this complaint point hadn’t been dealt with and compensated Mr C £50.

Following this SB paid Mr C further compensation of £200 as its final response letter had been sent via unsecure email and it hadn’t fully answered his questions regarding the ISA transfer process or provided with a paper copy of his second ISA transfer document.

As Mr C was still unhappy with SB’s response, he brought his complaint to this service. Mr C wants SB to update its drop-down menu so that it describes the correct legal entity of the ISA providers and provide compensation for any trouble and upset caused. Mr C wants SB to recognise the need for corrective action, training and re-staffing and to undertake a formal review of such. Mr C believes there is a need for ongoing monitoring to confirm the continued review of safeguards and the risks of potential overrides by all levels of management and to provide the relevant self-reporting to the regulator.

SB provided a list of providers available on its website that aren't redundant and a screenshot of the drop-down menu including both A and B that a customer can select to transfer their ISA from. SB has explained that due to the number of different legal entities it provides more generic names for customers to select which would then be matched against the account details the customer inputs so that it could verify the correct legal entity.

SB says that if A hasn't informed its customers about its specific host company – in this case B – it considers the issue lies with A and not with SB as it is A that is fully aware of its brands and it should advise customers of the correct provider details in the first instance.

One of our investigators looked into Mr C's concerns and thought that it was the customers responsibility to pick the correct provider – in this case B – from the drop-down menu and so didn't think SB had made an error. And ultimately, SB acted promptly once it was alerted to the issue Mr C was having and completed the transfer within a reasonable time and had dealt with the matter fairly in providing the compensation it did, so they didn't think there was anything more for SB to do.

Mr C disagreed and has asked for an ombudsman's decision.

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 hope that Mr C won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr C's complaint is regarding the issues he's had with SB providing a redundant business in its drop-down option for an electronic ISA transfer in.

It might be helpful for me to say here that as we are not the regulator, I cannot make SB change its IT systems or processes – such as how it describes other businesses within its systems or when it updates these. These are commercial decisions and not something for me to get involved with.

My role rather is to look at problems that a consumer has experienced and see if the business has done anything wrong or treated them unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

In this case Mr C selected the wrong business from SB's drop-down list when attempting to transfer in his ISA. Mr C believes it is SB's fault as it provided a business that was redundant or wrongly described. SB disputes this and says all the businesses provided as an option are valid and that it is up to the provider to let the customer know exactly who is providing the service and it is the customers responsibility to input the correct details.

And I'd agree, it is not for SB to tell its customers who they hold their products with and it can only act on the details its customers provide it with, so I don't think the stance SB have taken here is unreasonable.

Mr C is adamant that he was provided with an option to select a redundant business when selecting his ISA provider resulting in his ISA transfer being rejected. I can't say for sure what actually happened or what Mr C saw at the time of the first ISA transfer. But I don't think this matters, Mr C's ISA was rejected because the business he selected from the drop-

down list – A – didn't match the sort code of the business he wished to transfer his ISA in from.

What matters, and what I have to decide, is whether on discovering the issue SB treated Mr C fairly. And I think it did as on discovering the issue SB promptly put in place a second ISA transfer in within the 15-day timescale of the original transfer putting Mr C in the position he'd be in if there'd been no error or mistake on SB's part. Sometimes things don't go smoothly, and errors can occur - on both sides - but that doesn't mean it automatically follows that SB has treated Mr C unfairly.

I understand that Mr C wants to know where his first transfer went and has provided a response from SB stating SB had commenced his ISA transfer in electronically to the drop-down provider SB says only it can see internally. But all this says is that the process had started and as the provider was wrong it was rejected – and so the first ISA transfer went nowhere.

And as has already been explained I can't tell SB when it needs to update its systems or how it should fix technical issues when things go wrong. But in saying that I don't think it unreasonable to allow businesses some time to update their systems and descriptions where there have been external changes – such as identity changes to businesses – outside its control.

Furthermore, SB has already accepted the service Mr C received in answering his questions regarding complaint points could've been better and paid £250 in total compensation. Which I think this is reasonable given I haven't seen that Mr C has suffered any financial loss due to SB's actions and I'm not persuaded an uplift on the compensation already paid is warranted for the inconvenience suffered.

And so it follows I don't think SB has treated Mr C unfairly and think it has done enough to support Mr C with the problems he's having and so I'm not going to ask it do any more.

My final decision

For the reasons I've explained I've decided not to uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 December 2024.

Caroline Davies
Ombudsman