

The complaint

Mr M complains about the service he received from Skipton Building Society (“Skipton”) when transferring his ISA to it. In particular he is unhappy that the ISA transfer took almost two months to complete.

What happened

Mr M requested a transfer authority form (TAF) – a form used to transfer an ISA – from Skipton on 27 September 2023.

Skipton’s systems notes show that it sent Mr M the TAF on 28 September but having not received this Mr M chased this on 9 October.

Skipton sent a further TAF by post on 13 October which Mr M completed and returned to Skipton by email on 17 October and which Skipton’s system notes show was forwarded by email to Mr M’s external ISA provider on 18 October.

Skipton chased Mr M’s external ISA provider about this on the same email address it used to send the TAF to on 23 October and received a response the following day advising that the TAF hadn’t been received and a request to send a paper copy via post.

For reasons that are unclear Skipton failed to action this until Mr M chased this with them on 13 November and the TAF was resent to the external provider on 14 November. The funds were received by cheque on 24 November and Skipton backdated the funds to 17 November – the date the cheque was issued – and added them to Mr M’s account.

Mr M complained to Skipton about the delays experienced in both receiving the TAF and sending this off to his external provider. Skipton partially upheld Mr M’s complaint and offered him compensation of £125 for the distress and inconvenience the delays in its service caused.

Mr M was dissatisfied with this and so brought his complaint to this service.

One of our investigators looked into Mr M’s concerns. They thought Skipton dealt with Mr M’s request for the TAF promptly and couldn’t be held responsible for postal delays outside of Skipton’s control.

But they agreed that Skipton had failed to action the resending of the TAF to Mr M’s external provider following its response on 24 October and thought that Skipton should backdate the funds and apply interest 15 working days – the usual time taken to complete a cash ISA transfer as per government guidelines – from this date as this was the point at which Skipton had made an error. They also agreed that the compensation of £125 for the distress and inconvenience to Mr M was fair and so didn’t think Skipton needed to pay anything further.

While Skipton accepted our investigators recommendations, Mr M remained unhappy. Mr M questions the wisdom of Skipton sending the TAF by email in the first place when it could’ve sent the form by post and thinks that Skipton should back date the interest to 15 working

days from 17 October - the day he emailed his form to Skipton. Mr M has asked for an ombudsman's decision on the matter.

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.

In the background I've outlined what I consider an accurate account of the facts based on the evidence and information I've received from Mr M and Skipton and I don't see the merit in repeating this here.

It might help if I explain here my role is to look at the problems Mr M has experienced and see if Skipton has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr M back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered everything I'm in agreement with our investigator and I don't think there is anything much more of use that I can add.

I think that up until 24 October Skipton's service regarding the transfer of Mr M's ISA was prompt and within the timescales of what I'd expect. I accept Mr M didn't receive the initial TAF posted to him, but I've seen no evidence that was down to an error on Skipton's behalf and so I can't hold Skipton responsible for this delay.

But I agree that there was a service failing on Skipton's behalf when it failed to respond to the notification that Mr M's external provider hadn't received the TAF until Mr M chased it about this.

Skipton has already accepted it made an error here and compensated Mr M £125 for the distress and inconvenience this caused. Furthermore, it has accepted our investigators recommendations that it backdate the interest on Mr M's ISA to 15 working days from 24 October as 15 days is in-line with the government guidelines about the length of time it should take to complete a cash ISA transfer.

Mr M isn't willing to accept this as he questions whether it was appropriate to send the TAF by email to his external ISA provider in the first place. It is not our role to say how a business operates – including what communication methods it uses – this is a commercial decision that we wouldn't get involved with. But in saying that I don't think using email to communicate with external parties is unreasonable. It is a widely accepted form of communication and is faster and cheaper than the post. Indeed, Mr M used this method himself when emailing Skipton the TAF on 17 October and when Skipton used the post to send Mr M the initial TAF it never arrived.

So I don't think Skipton made an error here and as such I don't think Skipton should backdate the interest to the date it received Mr M's TAF, but rather as our investigator has recommended Skipton should backdate the interest to 15 working days from the date of its error being 24 October 2023.

This would put Mr M in the position he'd be in as if the mistake hadn't happened. My understanding is Skipton has already compensated Mr M £125 for the distress and inconvenience the delays have caused which I think is fair and so I'm not going to ask Skipton to pay anything further for this.

And so it follows that I uphold Mr M's complaint and direct Skipton backdate the interest on Mr M's ISA to 15 working days from 24 October 2023 and if Mr M hasn't already received the £125 compensation payment Skipton should pay this now.

My final decision

For the reasons I've explained I've decided to uphold Mr M's complaint and direct Skipton Building Society to backdate interest on Mr M's ISA to 15 working days from 24 October 2023 and pay Mr M £125 compensation if this hasn't been paid already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 December 2024.

Caroline Davies
Ombudsman