

## The complaint

Mrs D is unhappy with the service Bank of Scotland plc, trading as Halifax, provided when she transferred out her cash ISA.

## What happened

Mrs D first completed a Cash ISA transfer request on 6 March 2024. There was a mismatch with her name initially and the transfer failed on 12 March 2024. This was resolved and £61,304.67 was successfully sent to the new provider on 14 March 2024. However Halifax did not send a transfer history certificate (THC) so the new provider was unable to allocate the funds and they remained in a suspense account. Both Mrs D and the new provider chased this repeatedly, but there is no evidence it was sent until the complaint handler did so on 31 May 2024. Mrs D's funds were moved out of the suspense account at her new provider as follows: £20,000 on 3 June 2024 into a savings account initially and £41,304.67 on 2 July 2024 into the new ISA.

Mrs D says the service was appalling and caused her severe stress. Halifax upheld Mrs D's complaint and paid £65 compensation for the trouble it had caused.

Our investigator said Halifax needed to increase the compensation to £165 and make Mrs D good for the interest she lost whilst her money was in the new provider's suspense account.

Halifax agreed, but Mrs D asked for an ombudsman's review. She said this assessment and award does not reflect the severity of the stress she suffered, the issue was only resolved as she took a copy of the THC to the new provider. She also raised how unhappy she was with how Halifax responded when she complained.

I made changes to the redress so I issued a provisional decision. An extract follows and forms part of this final decision. I asked both parties to send any comments by 20 November 2024.

### *Extract from my provisional decision*

*To reach my decision I have taken into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time.*

*Of particular relevance here are HMRC's cash ISA to cash ISA transfer guidelines that state the transfer must take place within 15 business days of the transfer instruction being received by the new ISA provider. And within that timeframe that the existing provider has five business days to send the funds and information on receipt of the transfer instruction from the new provider.*

*Halifax accepts it cannot evidence that it did this – rather it seems whilst it sent the funds on the 14 March 2024 the THC was not received by the new provider until 31 May 2024. So it is not in dispute that Halifax failed Mrs D.*

*What remains in dispute is how she should be fairly compensated. I find that a further increase is merited here and I am awarding Mrs D a total of £250 compensation. This more adequately reflects how involved she had to get to resolve the issue, how long the issue went on for and how stressful it must have been given the sum of money involved. Mrs D has also referred to the misinformation provided by Halifax in this case. And I agree she was told the THC had been sent when it seems most likely hadn't. But I don't have the authority to make any form of punitive award against Halifax. That would be a matter for its regulator to decide if appropriate.*

*In addition as Halifax has agreed, it must make Mrs D good for the loss of interest she suffered whilst her money was in the new provider's suspense account. This should be from 15 March 2024 up until the point at which it has been evidenced that Halifax sent the THC to the new provider – 31 May 2024. The investigator has provided details of the interest rate for Mrs D's new ISA account so Halifax can now calculate what it owes Mrs D for the time period I have defined.*

*It follows I am upholding Mrs D's complaint.*

*Finally, Mrs D was also unhappy about how Halifax managed her complaint, but this is not something I can look at. There is a difference between a complaint about a financial service and a complaint about how a firm has handled a complaint. I can only look at the former. Mrs D's concerns about how Halifax responded to her complaint is not a complaint about its provision of or failure to provide a financial service – it's distinctly about complaint handling. And under our rules I cannot consider complaint handling.*

Halifax accepted the provisional decision. Mrs D said whilst she did not agree with all the findings, she reluctantly accepted the 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.

As neither party sent in any new comments or evidence for me to consider I have no reason to change the findings or outcome in my provisional decision.

For the reasons set out above I agree that Halifax did not transfer out Mrs D's ISA in the timely way she reasonably expected.

### **Putting things right**

Halifax must now:

- Pay Mrs D £250 compensation (deducting the payment it has already made) for the distress and inconvenience it caused.
- Calculate and pay Mrs D the interest she lost on her savings as set out above.

### **My final decision**

I am upholding Mrs D's complaint. Bank of Scotland plc, trading as Halifax, must put things right as set out above.

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

Rebecca Connelley  
**Ombudsman**