

The complaint

Mrs M complains that TSB Bank Plc mishandled her cash ISA transfer leading to delays and lost interest.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- TSB accepted it made a mistake when transferring Mrs M's cash ISA from another bank. This not only delayed the transfer but meant Mrs M was left with two ISAs instead of one. She was also left out of pocket due to the delay – she missed out on about six weeks' worth of interest - and because the interest rate on one of the ISAs was 0.35% lower than originally offered.
- TSB gave Mrs M £118.90 for the loss of interest on both ISAs due to the transfer delay. It also gave her £136.47 to make up for the lower interest rate applied to one of the ISAs. I'm satisfied from the evidence I've seen that these amounts ensure she won't be out of pocket as a result of the mistake made by TSB.
- TSB said it can't combine the two ISAs now because the funding window has passed. But Mrs M can do that when the ISAs mature in 2026 and I think that's reasonable in the circumstances.
- TSB also gave Mrs M £250 for the distress and inconvenience it caused. £50 when she first complained and a further £200 when the complaint was re-opened after TSB closed it prematurely.
- Mrs M wasn't happy with that amount and thought TSB should pay more. She said she has terminal cancer and has to undergo regular chemotherapy treatment. So, having to go into her branch and make a number of telephone calls to try to resolve matters, was inconvenient and stressful.
- In light of that information, our investigator thought TSB should pay Mrs M another £200 on top of the £250 already paid, so a total of £450 for the impact on her of TSB's mistake.
- There's no doubt Mrs M was put to a significant amount of inconvenience due to TSB's poor service and this would have caused her a considerable amount of upset and worry. But I think a total amount of £450 is appropriate in the particular circumstances of this case and fully recognises the impact on Mrs M.
- On balance, I'm satisfied that a payment of £450, on top of the other action TSB has taken to put matters right, provides a fair and reasonable resolution to the justified complaint raised by Mrs M.

For these reasons I uphold this complaint.

Putting things right

To resolve Mrs M's complaint TSB Bank Plc should pay her a further £200 on top of the £250 it's already paid her for the distress and inconvenience its mistake caused.

My final decision

My final decision is that this complaint should be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 1 April 2025.

Richard Walker
Ombudsman