

## **The complaint**

Mr S complains that Nationwide Building Society blocked the transfer of funds to a new Individual Savings Account (ISA) that he had set up with his bank.

## **What happened**

Mr S said on 12 October 2022 his bank submitted a transfer request to Nationwide for a new ISA account with interest fixed for one year, but this was rejected. He called Nationwide on 3 November, but said he's been given the run around on the phone and email since. He said Nationwide finally responded on 29 December but didn't investigate properly and ignored his follow up email. Mr S said he was forced to reinvest his funds with Nationwide, but lost interest as a result of the problems and its lack of response.

Nationwide responded to Mr S's complaint saying it hadn't made a mistake. It said the transfer was rejected on 13 October 2022 because his bank didn't include his National Insurance number and his bank were informed the same day. Nationwide said it transferred Mr S's funds to another account when his bank made a second request in February 2023.

Mr S wasn't satisfied with Nationwide's response saying that it didn't check the National Insurance number with him and didn't notify his bank until 1 November 2022 and it had this information on file. Mr S said he's suffered a loss of interest and should be compensated for the stress he's been caused by Nationwide's failure to deal with this problem in a proper or timely manner. He referred his complaint to our service.

Our investigator didn't recommend that the complaint be upheld. She said Nationwide received an electronic ISA transfer request from Mr S's bank on 12 October 2022 missing his National Insurance number and rejected this on 13 October and informed Mr S's bank.

Mr S didn't agree that Nationwide had followed the correct process. He said he gave it the required information on 3 November 2022, and it should have acted accordingly. He said Nationwide ignored his communications and didn't make contact. Mr S requested an ombudsman review his complaint.

## **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.

Mr S is very unhappy that his transfer of funds for a new ISA was rejected by Nationwide, and it didn't act on this when he called on 3 November 2022.

From what I've seen, the electronic transfer request from Mr S's bank didn't include the National Insurance number for Mr S, which is a government requirement. I think it follows in these circumstances that the correct process was for Nationwide to reject the application and I can see that it did so to Mr S's bank the day after receipt, (13 October 2022).

Nationwide's notification to Mr S's bank was all it was required to do in these circumstances, so I think the missing number could have provided via a new transfer request to prevent loss

of interest. I haven't found that Nationwide has made any errors and it appears to have followed the correct process in its treatment of the ISA application made on Mr S's behalf.

It appears that Mr S's bank put in a generic National Insurance number. I can't be certain whether or not this was an oversight, but as this complaint only concerns Nationwide I can't consider Mr S's bank's actions. It is open to Mr S to bring a separate complaint about his bank if he wishes.

Mr S questioned why Nationwide didn't make a new transfer on 3 November 2022 when it had his National Insurance number and why it subsequently made an unauthorised transfer of his funds in February 2023, after the authorised request had failed.

Nationwide has explained that the account was transferred in February 2023 to Mr S's bank after Nationwide eventually received the electronic request it required from Mr S's bank with the correct details. On 3 November 2022 there was no new electronic transfer request from Mr S's bank. I'm sorry to learn this involved an early redemption penalty to Mr S, but I think Nationwide was correctly following instructions and its process.

Mr S said he received little or no communications from Nationwide. Nationwide receives electronic ISA transfer requests from other banks and payment providers and is only required to notify them of rejection – which it did to Mr S's bank. I can see from its records that Nationwide made attempts to reach Mr S by phone on several occasions in November 2022 without success. I haven't found that Nationwide has acted in error or failed to follow its process for dealing with an ISA application and so I cannot require it to take any further action.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 September 2023.

Andrew Fraser  
**Ombudsman**