

## **The complaint**

Ms N complains that Santander UK Plc gave her misleading information about transferring money.

## **What happened**

Ms N held an existing Santander Individual Savings Account (ISA) and opened a new ISA which paid more interest. She wanted to transfer money between the accounts and make a new payment into the new account. Ms N says the information she received from Santander was not clear as she didn't want to merge an ISA. She would like Santander to allow her to fund her new ISA in the tax year 2022/23 with a further £20,000 as she intended and pay her compensation for what took place.

Santander says it makes clear in a number of documents namely the account terms and conditions and the key facts documents that any money withdrawn from an ISA will lose tax free status. And any transfers between an ISA must be done on an ISA transfer form in compliance with tax rules, which Ms N did not do.

Ms N brought her complaint to us, and our investigator didn't uphold the complaint and thought Santander explained that when the ISA was opened, a form must be used to transfer an ISA. The investigator didn't think Santander provide advice.

Ms N doesn't accept that view and says she didn't want to merge her ISA's which is what the e-mail refers to, and says the documents distinguish between an ISA transfer and deposit. She maintains the information was misleading.

## **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 can see that Ms N appreciates that the ISA rules are not set by Santander and that it must follow the relevant tax rules which make clear that any transfers from an existing ISA into a new ISA must be completed by, as in this case, Santander. I don't think Santander has any choice but to follow those rules.

I have looked carefully at the account terms and conditions, key facts documents, and the e-mail Ms N received when the account was opened. The terms and conditions make clear that Santander is not providing advice on the product and says any ISA transfers must be made using a form. I can see that a warning is made clear that any money withdrawn from an ISA loses its ISA status. I can also see that warning is repeated in the key facts document and also explains that money repaid into an ISA in those circumstances counts towards an ISA allowance. So, I'm satisfied that Santander made clear before Ms N applied for both accounts what the ISA rules were and that any transfers must be made using a form.

The key issue Ms N complains about is the e-mail she was later sent by Santander after the account was opened. I have made clear that I think Ms N ought reasonably to have been

aware of the relevant rules at the point she opened the account, as she had agreed to the terms and conditions and would have seen the key facts document.

The e-mail explains the procedure for transferring an ISA from a different provider and makes clear that an ISA form is required. The e-mail goes on to explain that to transfer an existing Santander ISA a transfer form is required. I accept the e-mail also says, “to merge into one single ISA”. So, I’m satisfied there is clear instructions that to transfer an ISA that a form is required either internally or externally which is the same information that is provided in the terms and conditions and in the application process. I’m also satisfied that the requirement to use a form is as a result of the ISA rules and it is made clear. It follows that I don’t think Santander made a mistake or acted unfairly by concluding that by Ms N funding the ISA by a withdrawal, that counted towards her ISA allowance for that tax year.

I appreciate Ms N says she didn’t want to merge her ISA and I accept that Santander could have provided clearer information on those that wish to keep an existing Santander ISA open. But I think there was sufficient information provided before that e-mail that an ISA transfer had to be made by Santander or a different provider using an Isa transfer form. I don’t think it entirely clear in any event why Ms N says she wanted to keep the existing ISA open as I can see she told us that the existing ISA paid a “lousy interest rate” and she wanted to take advantage of the higher rate offered on the new ISA. She also said she wanted to transfer the full balance from one account to another.

Overall, I’m satisfied that Santander has made clear in a number of different documents that an ISA transfer form needed to be completed and that any withdrawals from an ISA by a customer would result in ISA status being lost. I also think the e-mail whilst not as clear as it could have been, was sufficiently clear that again a form was needed for an ISA transfer. I think that this was Ms N’s decision to withdraw the money, made without advice from Santander. So, I can’t fairly order it to pay compensation or take any further action in the circumstances of this complaint.

### **My final decision**

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms N to accept or reject my decision before 1 August 2023.

David Singh  
**Ombudsman**