

The complaint

Mrs K complains that Vanguard Asset Management Ltd didn't allow her to make a withdrawal from her ISA because a fee in another account was outstanding.

What happened

Mrs K had an ISA account and a pension account with Vanguard. She says she wanted to withdraw the cash held in her ISA and transfer it to a third-party provider. She says Vanguard wouldn't allow her to make the withdrawal.

Vanguard said it sent Mrs K a notification on 21 October 2022 to tell her its fees were due in her pension account. On 24 October, Mrs K asked how to make a withdrawal from her ISA. It said that, as a fee was outstanding and there wasn't enough cash in the pension account to cover it, Mrs K wasn't able to make a withdrawal from her ISA. An interest payment was credited to the pension account on 1 November which allowed the fee to be charged and the ISA withdrawal was completed on 3 November.

Our investigator didn't recommend that the complaint should be upheld. She thought Vanguard had acted in line with its agreed terms and conditions. And that it acted quickly to progress the withdrawal once the fee had been paid.

Mrs K didn't agree. She said, in summary, that:

- Her pension account was valued at around £15,000 which was more than enough to meet the £5.83 fee. The agreement says that Vanguard will sell assets if there's not enough cash to pay the fee.
- There's nothing in the terms and conditions to say the pension fee will be taken from the ISA account, so the withdrawal should have gone ahead.

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.

Mrs K was made aware that a fee was payable in her pension account and she should reasonably have been aware that there wasn't enough cash in that account to pay it. She knew she could've transferred in enough cash to meet the fee. However, shortly after the fee became payable, interest was received in the account which covered it.

Mrs K gave instructions on 24 October 2022 to withdraw the cash in her ISA. She was told this could take up to five business days. But she needed to give Vanguard her bank account details, and this needed to be verified. She sent Vanguard a copy of her bank statement on the same day. Vanguard acknowledged this and told her it could take up to 10 business days to complete its verification process. Whilst Vanguard was able to complete verification sooner than that, it didn't complete the withdrawal until 3 November, because of the outstanding fee due in the pension account.

I don't find the terms and conditions include information about the specific circumstances here. I can't see that it covers using the cash in an account to pay the fee due in another account. But, taking into account that the withdrawal was completed within 10 business days, which was within the internal timescale for verifying Mrs K's bank account, I don't find this to be unreasonable. Overall, and on balance, the withdrawal was processed in a reasonably timely manner, I don't find Mrs K was unduly disadvantaged and in the circumstances I don't make any award.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 4 September 2023.

Elizabeth Dawes
Ombudsman