

The complaint

Mrs B is unhappy that Charter Court Financial Services Limited trading as Charter Savings Bank (Charter) caused delays when she tried to transfer her Individual Savings Account (ISA) from another provider.

What happened

On 15 November 2022, Mrs B opened a fixed rate ISA with Charter and asked them to transfer over her funds from her existing cash ISA provider, who I'll call Company A. Charter wrote to Mrs B on 23 November 2022, explaining that they'd cancelled her ISA transfer request as Company A had advised them that the account couldn't be found using the details she'd provided. They asked her to contact Company A for further information and explained she'll need to complete a new ISA transfer request form if she wished to proceed with the transfer.

Mrs B wrote to Charter explaining that she'd checked the details she'd provided to them in her application against her Company A bank statement, and these matched. She was unhappy that the failed first transfer attempt meant she'd lose out financially. She enclosed a paper ISA transfer form along with a copy of her Company A bank statement.

Charter processed Mrs B's ISA transfer request again, which was successfully completed on 14 December 2022. They responded to Mrs B's complaint explaining that Company A had rejected her transfer request with the reason provided as 'no account found'. They said they wrote to Mrs B to advise her of this, so they were satisfied they processed her initial ISA transfer request correctly and in a timely manner.

They accepted they should've attempted to resubmit Mrs B's ISA transfer request again electronically, after she'd messaged them on 6 December 2022 confirming that the details she'd provided initially were correct. They agreed they caused some delays in the ISA transfer by waiting to receive Mrs B's paper ISA transfer form.

They explained HMRC rules allow them 15 working days to complete an ISA transfer. So, they backdated Mrs B's interest from 7 December 2022, which was 16 working days from the date of her initial application.

Mrs B complained to Company A about the delays they'd caused by rejecting her ISA transfer. She explained if her initial request had been dealt with correctly, then the transfer could've been completed by 23 November 2022. She said her Company A account was only earning 1% per annum, whereas she could've received 4.38% per annum with Charter. She asked them to compensate her for the difference in lost interest between the two accounts for 21 days, from 23 November to 14 December 2022, which she'd calculated at £5 per day.

Company A said they weren't responsible for the delays in Mrs B's ISA transfer. In summary, they explained that they'd taken over Company B and Company C, but they all operated on different systems. They said the ISA transfer request was sent incorrectly to 'Company A' instead of 'Company A with a X1 sort code'. They thought that Charter should've checked

The Investing and Savings Alliance (TISA) database to successfully transfer funds, but instead, they sent the request under the wrong option.

The ISA transfer request under 'Company A' is for Company A accounts and they don't hold information about Company B (previously) accounts on this system— so they felt they'd correctly rejected the transfer request as the account couldn't be found. They explained that when Charter sent the request the second time using the 'Company A with X1 sort code' option, they completed it within a day, so they don't believe the failing was on their part.

Mrs B complained to Charter again with a copy of the response she'd received from Company A. She explained neither Charter nor Company A were taking responsibility for the delays. She asked Charter to reconsider their position as she said the interest they'd backdated, only covered a fraction of what she'd lost.

Charter explained they were aware that Company A had recently taken over Company B and Company C. As a result, when Mrs B had to choose an ISA provider during her application, she was presented with the following options for Company A:

- Company A
- Company A – sort codes start with X1
- Company A – sort codes start with X2
- Company A Personal Financial Services Limited
- Company A Unit Trust Managers Limited

They explained Mrs B chose the option named 'Company A' although the details she provided showed she had a sort code beginning with X1. They explained that after she submitted her application, the transfer request was automatically sent in line with the instructions she'd provided.

They said that since her ISA transfer request was sent to 'Company A' and not to the dedicated option provided of 'Company A – sort codes start with X1', so Company A rejected her transfer request.

They confirmed that they should've been more proactive in resubmitting Mrs B's request using the correct ISA provider option when she contacted them on 6 December 2022. They had decided to act as if her transfer request had been submitted to Company A under the correct ISA provider on 15 November 2023. And in line with the ISA transfer guidelines which states that it should take no longer than 15 working days to complete the transfer, they paid Mrs B interest from 16 working days of the date of her initial application, which they felt was a fair outcome.

Unhappy with Charter's response, Mrs B referred her complaint to our service. She explained she didn't recall the fine details of the web form when she completed her application but confirmed all the details she entered online matched the details she'd given on her paper form along with the Company A bank statement. She thought the paper application was successful because it was handled by a human, but her online attempt failed as it was processed by a computer. She felt there should've been human intervention to check why the transfer had failed.

She explained if prompt checks had been made at the time of her initial transfer, there wouldn't have been any delays. She asked to be compensated her loss of interest which she'd calculated to be £105.02.

Our investigator said that the delays weren't caused by Charter, but instead was due to Mrs B selecting the wrong ISA provider when completing her application. He thought Charter had

acted fairly in backdating the interest to 16 working days after her application, so he didn't ask them to do anything else. Mrs B disagreed and asked for an ombudsman to consider her complaint.

In summary, Mrs B said that she gave Charter the correct account details both times and it was their responsibility to route the ISA transfer application to her existing ISA provider correctly. She felt if simple checks had been made, either built into the software or by human intervention, her initial transfer request would've been successful, as was the case with her paper transfer form.

She told us she hadn't kept records of the individual application screens, but doesn't recall multiple Company A options. She says she scrolled down the list of ISA providers and identified Company A which is the first mentioned on the list as the ISA provider as displayed on her Company A bank statement. She explained she wasn't expecting to enter a sort code at this point as there was a box for that further along the application. She feels her choice of 'Company A' was the most sensible and logical. And if there was some indication that this option excluded accounts with sort code starting X1 she wouldn't have chosen it.

She said there wasn't any indication or error messages to flag up that her selected option of 'Company A' was incompatible with the sort code and account number she subsequently entered on the form. She feels that Charter's offer was the minimum permitted under the rules and believed that if her transfer request had been handled properly from the start, it would've been completed by 23 November 2022. She didn't feel that the failure of Charter's system to check the consistency of the data she'd entered on the form should be attributed to her. She thought Charter should've been aware that Company A were still operating separately to Company B.

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.

Charter have shown the reason for the initial ISA transfer being rejected was that the request was sent to ISA provider 'Company A' instead of 'Company A – sort code starts with X1'. Mrs B completed her ISA transfer application online herself. Once her request was submitted, Charter automatically sent the transfer request to the ISA provider she'd selected on the form along with the account details she entered. Unfortunately, Mrs B hadn't selected the correct ISA provider. This meant that the first transfer request was rejected.

I appreciate Mrs B's reasoning for selecting 'Company A' as per the branding information on her bank statement. However, Charter have shown that their online application forms provide a number of options under Company A – including the one most appropriate to her ISA as her sort code starts with X1. I think the onus was on Mrs B to ensure she selected the correct option.

I wouldn't expect Charter to verify the details or manually intervene on each application before processing it, as it's not unreasonable for them to rely on the information their customers provide on the online applications.

Given that there were different options for Company A, I think it's reasonable to expect Mrs B would've either selected the 'Company A – sort code starts with X1' as her sort code started with X1 or if she wasn't sure which option to select, that she'd have contacted Charter to check to ensure her application was accurate.

It was Mrs B's decision to select the option she thought was most sensible and proceed on that basis. It follows, I can't fairly hold Charter responsible for this. Overall, I don't think it was unreasonable that Charter processed Mrs B's ISA transfer request based on the information she had provided on the online form.

I accept Mrs B provided the same information on her paper ISA transfer form and this was completed successfully. Given that the paper ISA transfer forms don't have the drop down of different ISA providers like the online application form, the responsibility to select the correct provider when completing the ISA transfer following Mrs B's paper application was on Charter. I wouldn't reasonably expect Mrs B to have known to write 'Company A – sort code starts with X1' on her paper application form.

The information on which ISA provider to send the transfer request to is available to Charter on TISA, which I'd expect them to check before submitting Mrs B's paper ISA transfer form. I'm pleased to see that Charter correctly selected the ISA provider when processing Mrs B's paper ISA transfer form and the ISA transfer was successful at the second attempt.

Although I don't think Charter can be blamed for the initial transfer being rejected and the delays that were caused as a result, I agree with Charter that they should've done more after Mrs B contacted them on 6 December 2022. When Mrs B confirmed to Charter that the account details were the same, this should've prompted them to check her application and TISA to re-submit the transfer request to the correct ISA provider.

Charter have already backdated the interest on Mrs B's account to start from 7 December 2022, which was 16 working days from the date of her initial application. I think this is fair and reasonable as Charter have 15 working days under the rules to complete an ISA transfer.

I understand why Mrs B feels her ISA transfer would've been completed earlier by 23 November 2022, if her initial application wasn't rejected. I agree this was a possibility, but there's no guarantees that this would've happened. This is because, as mentioned, Charter have up to 15 working days to process the ISA transfer as they confirmed to her when she requested the transfer.

Even if I thought Charter were responsible for the delays caused by her initial transfer request being rejected, which as I already explained, I don't think they are, I'd only expect them to reimburse Mrs B for loss of interest from 16 working days after the date of her initial application.

All things considered, I'm satisfied Charter have already resolved this complaint fairly by back dating the interest on Mrs B's account. So, I won't be asking them to do anything else.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 January 2024.

Ash Weedon
Ombudsman