

The complaint

Miss S complained about delays that occurred during the process of arranging a cash ISA transfer from her previous ISA provider (whom I'll refer to as V) to M&G Securities Limited. ('M&G')

What happened

Here is a brief timeline showing key dates:

12 May 2022 – M&G received Miss S's completed transfer request from V to M&G

27 June 2022 – M&G sent the paperwork to V at the address noted on the transfer Miss S had completed.

14 July 2022 – chaser email sent from M&G to V

29 July 2022 – further chaser email sent from M&G to V.

12 August 2022 – V advised it did not recognise the account number quoted on Miss S's transfer request. M&G checked this with Miss S and reiterated this information to V.

17 August 2022 – chaser email sent from M&G to V. Miss S passed on information that V had told her and confirmed to M&G the address details they should be using, which were slightly different to those on the transfer form.

18 August 2022 – M&G reissued the paperwork to the updated address. M&G received a further email saying the account number wasn't recognised as one of V's.

27 August 2022 – on receipt of a secure message from Miss S requesting cancellation of the transfer request from V, M&G arranged to cancel the transfer.

M&G and V both accepted they were responsible for some service failings during the transfer process. When Miss S complained, M&G paid her £150 compensation by way of an apology for delays on its part that it agreed had contributed to the transfer taking so long to complete.

An investigator at this service felt that M&G should pay Miss S a further £150 to properly reflect the distress and inconvenience caused by delays it was responsible for. She recommended that M&G should also pay redress if Miss S had suffered any investment loss.

Miss S agreed with this assessment of her complaint. M&G however felt that an extra £100 was a fairer payment in respect of trouble and upset and also said it wasn't appropriate that it should complete the loss test suggested by the investigator as this would mean M&G was responsible for all the service failures that occurred during this period, which wasn't the case. M&G said that even if it hadn't delayed and sent the transfer request earlier, there was nothing to suggest that V would have acted any differently and that the transfer would have been completed within 30 days.

Miss S initially said she was happy to settle her complaint against M&G on receipt of the extra £100 as she felt that V was mainly responsible for what happened. And M&G has confirmed that it has made the additional £100 payment to Miss S. There was a further exchange of correspondence and as some key complaint issues remained unresolved, including the issue of investment loss, the complaint came to me to decide. I issued a provisional decision.

What I said in my provisional decision

Here are some of the main things I said.

'As I understand things, the crux of Miss S's complaint about M&G is that it played a part in delaying the cash ISA transfer she wanted to make from V to M&G. The background facts are not in dispute and M&G has upheld Miss S's complaint and agreed that it was responsible for delays when dealing with the transfer from V. So I don't need to say more about what happened or make any findings about what's already been agreed.

In my decision, I will concentrate on the question of fair redress, which is the main concern now and the reason Miss S has requested this ombudsman referral.

HMRC guidance says that transferring a cash ISA should take no longer than 15 working days. So it's completely understandable that the delay Miss S encountered during this attempted transfer was a source of frustration and anxiety – to the extent that some three months into the process, she decided to cancel the planned move from V to M&G and do something else instead. It's fair that the compensation she receives properly reflects the impact on her of M&G's service failings on this occasion.

So I have first considered if there was any financial impact.

I appreciate that Miss S is concerned about investment loss. But, so far as M&G is concerned, I don't find that it was responsible for any investment loss.

I think it's fair to say that even if M&G had not delayed dealing with its side of the transfer process, there were other considerations beyond its control that would still have held up the transfer process – which is what happened in the event. I haven't seen enough to show that, but for M&G's delays, Miss S would have invested her cash before the date she cancelled the transfer from V to M&G.

And when Miss S subsequently decided not to go ahead with this transfer, this brought to an end M&G's involvement in the transfer to V and it had no further responsibility for what happened to the cash ISA held with V.

I understand that Miss S already held a stocks and shares ISA with M&G when she decided to arrange the transfer of her cash ISA from V to M&G. And as a result of her frustration with the way M&G had handled the planned transfer from V she decided to encash and transfer her M&G ISA to a different provider.

Although Miss S incurred a penalty when she did this, it was her decision to move her ISA and she understood that she would incur a penalty and said she was prepared to accept this.

She's also said that by the time she was able to reinvest the market had moved against her – leaving her worse off than she would've been had she been able to reinvest sooner. But I am considering the question of potential investment loss arising as a result of delays in connection with the transfer of Miss S's cash ISA from V. I've seen no information showing that M&G delays frustrated any particular trades Miss S had lined up before Miss S decided not to go ahead with the transfer to M&G.

So I haven't seen enough to hold M&G responsible for any investment loss or other financial loss.

I can see how M&G's handling of matters would've caused Miss S distress and inconvenience but I think the payments it has made are fair compensation for this. M&G has apologised and paid an amount that is in line with the level of award I consider fair to reflect the extent and impact on Miss S of the service failings on M&G's part. I don't think it would be fair to ask M&G to make any additional payment here.'

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'd like to thank both parties for all the information that has been provided about this matter and Miss S for responding to my provisional decision. Given that I've not received any further evidence or comment that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision.

My final decision

For these reasons, I haven't upheld this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 October 2023.

Susan Webb
Ombudsman