

The complaint

Mrs C complains about the process (and related delays) involved in transferring her maturing ISA proceeds to a new product and the service she subsequently received from Shawbrook Bank Limited.

What happened

Mrs C's husband has brought this complaint on her behalf, with her permission. But, for ease, I have referred to his submissions as having come direct from her.

The circumstances that led to this complaint are well known to both parties, so I'll only provide a summary here.

In April 2022 Mrs C's fixed rate ISA matured and she's unhappy that:

- The letters she received in the lead up to maturity didn't tell her about the most favourable rate products that were available – she had to find these herself on Shawbrook's website.
- The process involved in transferring her money to the new account was too convoluted and the resulting delay meant she lost interest.
- The bank handled poorly her related enquiries and complaint about the above matters, this included it avoiding answering questions and not returning calls after it promised to do so.

Shawbrook accepted that its service had fallen short. The bank apologised, increased the rate of interest being paid on Mrs C's account (backdated to when it was opened) and paid £300 compensation to recognise the distress and inconvenience caused by its failings.

Unhappy with Shawbrook's offer, Mrs C referred a complaint to this service. The investigator thought the bank had done enough to compensate her. But Mrs C disagreed, so the matter has come to me to review.

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.

Having done so I've come to the same conclusions as the investigator, for much the same reasons and so I can't fairly instruct the bank to pay anything further. I've reached this conclusion having taken the following into account.

- New interest rates are rarely known far in advance of publication and so the bank would have had to base the content of the ISA maturity letter on the rates that were available at the time the content was written. This is likely why the letter explains that Mrs C could opt to transfer her ISA maturity proceed either to an account listed in the letter or one available on the bank's website. This enabled Mrs C to choose the most preferential rate of interest that was available when the ISA actually matured.

- The bank appears to have received Mrs C's instruction about what she wanted to do with her ISA maturity proceeds fairly close to the date of maturity. I say this having seen a letter from the bank to her, sent five days before the ISA matured, which advised she had not yet confirmed what she wanted to do. The bank says the message she sent, expressing her choice, wasn't picked up as quickly as it usually would have been due to a bank holiday. The bank has apologised for the delay and I think the total redress it has already paid fairly compensates Mrs C.
- Mrs C chose to move her money into a one-year fixed rate ISA paying 1.4% interest. In December 2022, in response to this complaint, Shawbrook advised it had upgraded her account to one paying 2.37% interest and ensured this rate was backdated to when the account was original opened in April 2022. The bank has calculated that this upgrade means Mrs C will have earned approximately £600 extra interest on her ISA investment over the year it was in place. The 2.37% rate product wasn't actually available until some months after Mrs C opted for the 1.4% fixed rate ISA in April 2022. I think the bank's decision to upgrade the account in this way was generous given the circumstances.
- Over a year has passed since the events in question took place and Mrs C's ISA has again matured. During the term, Mrs C proposed to withdraw her money from the ISA provided the bank would waive any penalties that would ordinarily result from early withdrawal. Mrs C said she offered to do so because the bank had previously proposed this, and because she was so unhappy with the service it had provided. But I think Mrs C misunderstood the bank in this respect. I think it was merely reiterating its right to end the relationship if it deemed that such had broken down, but Shawbrook wasn't saying that point had yet been reached. In the circumstances I don't think the bank ought to have agreed to Mrs C's request to withdraw penalty-free from the account during the fixed term.
- I don't think it's necessary to go over all the mistakes the bank has made, but I can assure Mrs C that I've considered everything she's told us about the service she received. This includes her concerns about her access to account statements – I understand such have now been provided. Also that she says she was offered £100 compensation during a phone call that took place in December 2022, in addition to the £300 that was offered in September 2022. Unfortunately, the bank has been unable to trace a call recording or call notes from that time. But, in all the circumstances and taking into account everything the bank has done to put things right, I'm satisfied that Mrs C has already been fairly compensated.

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 C to accept or reject my decision before 12 September 2023.

Ruth Hersey
Ombudsman