

## **The complaint**

Mrs H is unhappy with the service she received from Coventry Building Society ("CBS") surrounding a request she made to partially transfer an ISA.

## **What happened**

Mrs H held an ISA with CBS. She then opened a second ISA with CBS via their website, and tried to complete a partial transfer from her first CBS ISA to her new CBS ISA. But the partial transfer instruction was unsuccessful because CBS don't allow internal (i.e. CBS to CBS) partial ISA transfers to be instructed online.

Mrs H telephoned CBS to ask why she couldn't instruct the partial transfer online and was told she could send a secure message to CBS via their online banking platform to instruct the partial internal transfer. Accordingly, Mrs H sent a secure message to CBS that same day. But the next day she received a reply to her secure message from CBS which explained that they couldn't accept her partial transfer instruction via secure message and that Mrs H could provide the instruction either by telephone or posted form.

Mrs H asked for an ISA transfer form to be sent to her so that she could complete and return it. But she wasn't happy that CBS sent the form to her by second class post, which although Mrs H completed it and posted it back to CBS the day that she received it, meant that CBS didn't receive the completed form until four days after she'd requested it, and five days after she'd initially tried to instruct the partial ISA transfer.

Mrs H asked CBS to credit her recently opened ISA with five days of backdated interest because she felt CBS's errors had led to the delay in her money being moved into that account. But while CBS did credit Mrs H's new ISA with one additional day of interest, because they'd responded to the secure message that Mrs H had sent the day after it was received by them, they didn't accept responsibility for the further delay of four days. Mrs H wasn't happy about this, and she also wasn't happy that CBS refused to allow her to close her ISA under the cooling-off period option. So, she raised a complaint.

CBS responded to Mrs H's complaint and accepted that Mrs H shouldn't have been told that she could instruct a partial transfer via secure message. CBS apologised to Mrs H for this and backdated the interest on her account by one day. And CBS also made a payment of £50 to Mrs H as compensation for any trouble or upset she incurred as a result. But CBS didn't feel they'd done anything wrong regarding the other aspects of Mrs H's complaint. Mrs H wasn't satisfied with CBS's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they felt the response CBS had issued to Mrs H's complaint already represented a fair resolution to what had happened. Mrs H remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mrs H has provided several detailed submissions to this service regarding her complaint. I'd like to thank Mrs H for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mrs H notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mrs H and CBS. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Mrs H feels that she was misled by CBS regarding the fact that they don't accept online instructions for internal partial ISA transfers. But I don't agree, and I note that CBS's website confirms that such transfers can't be instructed online, as follows (my emphasis):

*"You can arrange a full or part ISA transfer from another organisation using Online Services. You can also complete an internal ISA transfer online too. If you can't access Online Services, **or you'd like to do a part internal transfer**, you can call us or come into branch to ask us to do it for you."*

Given that Mrs H applied for the new CBS ISA online, I feel that it was incumbent on her to have understood any restrictions that might have applied to the new ISA before she made her application for it. And I'm also satisfied that whether CBS accept partial ISA transfers via any specific channel or not is a commercial decision that CBS are fairly entitled to make.

Accordingly, I don't accept Mrs H's contention that CBS misled her about whether she could apply for a partial transfer to her new ISA online. Rather, I feel that Mrs H didn't take into consideration and understand the restrictions on the new ISA before she applied for it – as I feel it was reasonably incumbent on her to have done.

Mrs H feels that because CBS incorrectly told her that she could submit a partial transfer request by secure message, and didn't then respond to that secure message until a day later, that they caused a one day delay in her money being credited to the new ISA. Mrs H also feels that because CBS then sent her the form she needed to complete to request the partial transfer via second class post that they caused a further four day delay.

CBS have accepted that their agent made a mistake when telling Mrs H that she could submit a partial transfer request by secure message. And they also accept that they did cause a delay of one day by not responding to Mrs H's secure message until the day after it was received. CBS apologised to Mrs H for this, backdated the interest on her ISA by one day, and made a £50 compensation payment to her. This feels fair to me, and I feel that by taking these actions CBS have already taken the corrective action necessary to put Mrs H into the position she should have been in, had that mistake never occurred. And I feel that CBS have already fairly compensated Mrs H for the impact of that specific mistake on her.

I also don't feel CBS need to take any further action regarding the four-day delay which Mrs H contends occurred because CBS posted the ISA transfer form to her via second class post. This is because when CBS responded to Mrs H's secure message, they offered Mrs H the opportunity to instruct the partial transfer via telephone. As such, I feel that Mrs H was offered the opportunity to instruct the partial transfer that same day – by telephone – and I feel that by choosing to provide the partial transfer instruction by form that Mrs H tacitly accepted responsibility for any delays that the receipt and return of that form might cause.

I'm aware that Mrs H feels that CBS were required to send the ISA transfer form to her by first class post. But this isn't the case, and the obligation Mrs H refers to here is a lender-to-lender obligation whereby lenders are required to send an ISA transfer form to another lender by first class post. But in this instance the transfer was internal to CBS, so no form needed to be sent to another lender. And there is no obligation on a lender to send a form to an account holder by first class post as Mrs H appears to have believed.

Finally, Mrs H is unhappy that CBS won't allow her to close her new ISA under the 14-day cooling off period. But Mrs H didn't make any request to close her new ISA within 14 days of it being opened.

Mrs H has explained that she did ask CBS to backdate the interest for the further four days, as discussed above, and that she only made the request to close the account after CBS rejected this request, which took longer than 14-days. But I don't feel that CBS should reasonably be asked to extend the cooling off period because Mrs H is unhappy that they didn't agree to her request to backdate interest. And I feel that this is especially the case given that, as explained above, I don't feel that Mrs H's request for the further four-day backdating of interest was a reasonable request.

All of which means that I feel that the response that CBS have issued to Mrs H's complaint already represents a fair outcome to that complaint. And it follows from this that I won't be upholding this complaint or instructing CBS to take any further action here. I realise this won't be the outcome Mrs H was wanting, but I hope she'll understand, given what I've explained, why I've made the final decision that I have.

### **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 Ms H to accept or reject my decision before 22 November 2023.

Paul Cooper  
**Ombudsman**