

The complaint

Mr M is unhappy that Yorkshire Building Society ("YBS") caused the ISA transfer he instructed to be rejected.

What happened

Mr M submitted a form to YBS to instruct a full transfer of his ISA from the third-party bank with who his ISA was then held ("the originating bank") to YBS. But a few weeks later, Mr M received a letter from YBS which explained that the originating bank had rejected the transfer and referring him to the originating bank for more information.

Mr M later discovered that the reason the originating bank had rejected the transfer was because YBS hadn't asked them to transfer the current years ISA subscriptions, which meant that the originating bank's systems didn't recognise the request as being a full ISA transfer request. Mr M wasn't happy about this, so he raised a complaint.

YBS responded to Mr M and confirmed that they'd submitted the ISA transfer request to the originating bank as per the instructions given to them by Mr M. Because of this, YBS didn't feel they'd done anything wrong. Mr M wasn't satisfied with YBS's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel YBS had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr M 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.

When Mr M submitted his ISA transfer form to YBS, he instructed a full ISA transfer and stated that he hadn't made any subscriptions to his existing ISA, held with the originating bank, in that tax year. And YBS have demonstrated to my satisfaction that they sent an ISA transfer request to the originating bank as per those instructions.

The originating bank rejected the ISA transfer request and explained that it was because the request hadn't included any instruction to transfer Mr M's current years ISA subscription.

Upon consideration, it seems to me that one of two things is likely to have happened here, neither of which I would consider YBS at fault for. The first possibility is that the originating bank made some form of error and for some reason didn't accept the clear instruction given by YBS to transfer all of Mr M's ISA.

Alternatively, it may have been the case that Mr M had contributed to his ISA with the originating bank in that tax year. This would have meant that the statement Mr M gave to YBS on the ISA transfer form, that he hadn't made any such current-year contributions, was incorrect. And if this was the case, then YBS's request to transfer the full ISA not including

any current-year subscriptions (because Mr M hadn't made any) would have been rejected by the originating bank.

However, it isn't within my remit here to determine exactly why Mr M's ISA transfer request failed. Rather, my remit is focussed on whether I feel that YBS acted unfairly or did anything wrong. And, given that I'm satisfied that YBS submitted the ISA transfer request to the originating bank as per the instructions provided to them by Mr M on the ISA transfer form, I'm satisfied that they haven't done anything wrong or acted unfairly here.

Mr M has explained that he feels that the systems of YBS and the originating bank are incompatible with each other and feels that YBS's ISA transfer form might not be fit for purpose because it doesn't include the option to request the current years subscriptions as part of a full transfer. But I'm not convinced by Mr M's position here. And I can only reiterate that if it were the case that Mr M had made current-year subscriptions which he wanted to be included in the transfer, then he should have answered the question on YBS's form about whether he'd made current-year subscriptions in the affirmative, rather than in the negative, as he did.

I realise this won't be the outcome Mr M was wanting, but it follows that I won't be upholding this complaint or instructing YBS to take any further or alternative action. I hope Mr M will 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 Mr M to accept or reject my decision before 17 January 2024.

Paul Cooper
Ombudsman