

The complaint

Mrs B 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 M) to abrdn Investments Limited ('abrdn').

What happened

This brief timeline shows key events and dates:

28 September 2021 – abrdn received signed transfer paperwork from Mrs B.

30 September 2021 – abrdn posted a (correctly) completed transfer form to M.

19 October 2021 – abrdn received correspondence from M requesting confirmation of Mrs B's date of birth and National Insurance number (although this information was shown on the transfer form sent already).

21 October 2021 - abrdn sent a second transfer instruction, restating the information M had requested.

16 November 2021 – Mrs B contacted abrdn to find out what was happening with the transfer.

23 November 2021 - abrdn sent a chaser letter to M.

9 December 2021 - abrdn phoned M and was told that a new transfer instruction was needed. The reason given was that M required Mrs B to confirm on the transfer form that she wanted to proceed with the transfer irrespective of the fact that she would incur an interest penalty as a result of cashing in her ISA before the end of its fixed term.

13 December 2021 – abrdn wrote to Mrs B enclosing a new transfer form for her to complete with the required declaration M wanted.

23 December 2021 - abrdn received the updated transfer instruction from Mrs B and sent this to M the same day. This was subsequently rejected by M.

31 January 2022 - abrdn resent the transfer instruction to M.

3 February 2022 - abrdn phoned M for a progress report.

10 February 2022 – abrdn received a cheque for the ISA proceeds from M and reinvested this into a new ISA for Mrs B the next day.

M accepted it was responsible for some service failings during the transfer process and paid redress to Mrs B that reflected half of the investment loss identified.

When Mrs B complained to abrdn about its part in the delayed transfer, it didn't agree it had contributed to the transfer taking so long to complete.

An investigator thought differently. He felt that abrdn had contributed to delays during the transfer process and that it should accept responsibility for half of the loss caused by unit price movements during the delay.

Mrs B agreed with this assessment of her complaint. abrdn however disagreed, mainly saying that it had done everything correctly and in line with Mrs B's instructions. abrdn said it had allowed a reasonable amount of time for M to receive, review and respond to each instruction and M had been responsible for all the delays.

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 Mrs B's complaint about abrdn is that it played a part in delaying the cash ISA transfer she wanted to make from M to abrdn.

HMRC guidance says that transferring a cash ISA should take no longer than 15 working days.

Given this suggested transfer timetable, I think it's fair to say that:

- there was an onus on arbdn as the acquiring provider to have been more proactive.
- For example, arbdn could usefully have followed up its initial transfer instruction when it didn't hear back from M sooner. Whilst I accept that the reason M gave for rejecting this transfer was incorrect as no inaccurate information had been provided, arbdn didn't receive M's rejection for some 13 working days. Its failure to follow up the transfer it had sent risked putting the transfer timetable in jeopardy at the outset – and had arbdn chased M sooner, it's possible that the issues arising could have been highlighted and addressed earlier than happened.
- I think the 23 working day period between arbdn's second transfer instruction sent on 21 October 2021 and its chaser letter of 23 November 2021 was unreasonably lengthy. arbdn knew it had provided the correct information for a second time plus the form now included C's confirmation that she wanted to proceed despite the interest penalty– which arbdn thought addressed the reason for the hold-up so far. So I think it's fair and reasonable to expect arbdn to have contacted M sooner than it did to find out the reason for the continuing delay.
- I haven't identified any significant delays on arbdn's part after this but, by this time, the recommended HMRC timescale for this sort of transfer had long since slipped whilst the cumulative periods of inactivity in-between arbdn taking action and awaiting a response continued to add to the overall time taken for the transfer to complete. I think it's fair to say that things might have progressed faster if arbdn had been less tolerant of M's delays and done more to advance matters, as Mrs B might reasonably have expected her acquiring provider to have done.

I agree with the investigator that abrdn didn't act quickly enough to get the transfer moving and there were delays, as described above, during which abrdn could have chased M far sooner than it did. So I am upholding the complaint.

I've considered the question of redress carefully. It's fair that the compensation Mrs B receives properly reflects the extent and impact on her of abrdn's service failings on this occasion.

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

I appreciate that Mrs B is concerned about investment loss. But even if abrdn had not delayed dealing with its side of the transfer process, there were other considerations beyond its control that would still have significantly held up the transfer process – as far as I can see, the way M handled its end of the transfer was mainly the reason that things took so long. I don't think it would be fair to direct abrdn to pay redress in respect of investment loss in these circumstances – even on a proportional basis – when it's difficult to identify specific investment loss attributable to particular delays on abrdn's part.

I've also kept in mind that although the transfer took a lot longer than Mrs B reasonably expected, this mitigated loss of interest.

All this leads me to conclude that there's no identifiable cash loss that it would be fair to require abrdn to redress. But fair compensation isn't just about not being worse off in money terms – it needs to properly reflect the full impact on Mrs B of abrdn's service failings on this occasion.

I can see how abrdn's handling of this matter caused Mrs B some inconvenience and made the transfer even more stressful for her.

I consider an award of £200 is fair and reasonable in these particular circumstances. I am satisfied that this is in line with the amount this service would award in similar cases and it is fair compensation for Mrs B in her particular circumstances.'

What the parties said in response to my provisional decision

Mrs B was happy with what I said in my provisional decision.

abrdn said that for the most part it agreed with what I said, although whilst empathising with Mrs B's frustrations over the course of the matter, abrdn shouldn't be held liable in terms of compensation where abrdn was not at fault.

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've taken carefully into account what's been said in response to my provisional decision.

I'd like to assure abrdn that I've thought carefully about everything again before coming to my final decision and taken into account everything I've been asked to reconsider.

I appreciate that abrdn followed its standardised procedures and that even if abrdn had been more proactive in chasing things up more frequently, I can't be sure that this would have led to a faster resolution for Mrs B. I have acknowledged in my provisional decision that the way M handled its end of the transfer was mainly the reason that things took so long.

But I still think that abrdn missed opportunities to provide the level of service Mrs B was entitled to expect and that an award of £200 is fair and reasonable to reflect the extent and impact on Mrs B of shortcomings abrdn was responsible for.

As abrdn hasn't provided me with any new information that changes what I think about this case, I stand by what I said in my provisional decision.

abrdn has already indicated that if my view is unchanged, it will accept my final decision. I thank abrdn for this confirmation, as I think Mrs B will appreciate the goodwill this demonstrates.

Putting things right

To put things right, abrdn should pay Mrs B £200 compensation for the impact on her of the service failings I have identified and for which it is responsible.

My final decision

I uphold this complaint and direct abrdn Investments Limited to take the steps I've set out above to put things right for Mrs B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 14 November 2023.

Susan Webb
Ombudsman