

The complaint

Mr E complains about Nationwide Building Society, formerly Aegon, referred to as *“the business”*.

He’s unhappy about the loss in value of his cash ISA following the delayed transfer from his Stocks and Shares ISA, and believes the business is responsible for this.

To put things right, he’d like compensation for losses claimed.

What happened

One of our investigators considered the complaint but didn’t think it should be upheld. In summary, she said:

- The business isn’t responsible for the loss in value of the ISA which can happen during a transfer owing to external factors.
- In this instance Mr E decided to sell down his investments and transfer to cash due to market volatility and there’s likely to have been market movement that resulted in the drop in value.
- The transfer request was made on 25 August 2022 and completed by 14 November 2022. Although this was outside of the 30-day HMRC guidelines, the business can’t be blamed for the delays.
- Selling the funds in order to facilitate the transfer can take time – for which the business isn’t responsible. In the meantime, the markets can move resulting in a drop in value of the investment for which the business also isn’t responsible.
- She’s seen nothing to suggest that the business made any errors, or in any way was responsible for the drop in value of Mr E’s cash ISA.
- She’s seen no persuasive evidence to suggest that the business told Mr E, or led him to believe, that the value of his investment would remain the same after transfer.
- On 6 September 2022 the business asked Mr E to verify his signature, this wasn’t done until 31 October 2022. Although he was out of the country at the time, and arguably couldn’t respond sooner, it’s not something she can blame the business for.
- Since the business hasn’t made a mistake, she can’t say that the business is responsible for any losses claimed.

Mr E disagreed with the investigator’s view and asked for an ombudsman’s decision. In short, he made the following observations:

- The request took longer than 30 days to complete. If the business wasn’t at fault, who was?
- At no time was he told that it would take 30 days to receive the money. It was only after he raised a complaint, he was told that it could take 21 days.
- He provided his signature on 25 August 2022, and a week later he was asked to bring in his passport to be photocopied. On 2 October 2022, he provided a photocopy of his passport and a cancellation form in relation a different investment. The form

was received but not his photocopy even though the documents were sent in the same envelope – by then it was 31 October 2022.

- He didn't choose to cash in his ISA, he was advised to do so for tax purposes.
- He's unable to provide further evidence of a conversation that took place.

The investigator having considered the additional points wasn't persuaded to change her mind. In summary, she said:

- The 30-day ISA transfer timeframe provided by HMRC is a guideline. There might be reasons (outside of the business's control) which mean it takes more time, but this doesn't mean that it's at fault.
- The delays in this instance weren't caused by the business's error, therefore the business isn't responsible for any losses claimed.
- The business asked for the signature to be verified around 10 days after the application was initiated but the verification wasn't provided until over a month later.
- The interest was backdated to 25 August 2022, which is fair and reasonable in the circumstances.

As no agreement has been reached, the matter has been passed to me for 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 agree with the investigator's conclusion for much the same reasons. I'm not going to uphold this complaint.

On the face of the evidence, and on balance, despite what Mr E says, I can't safely say that the business behaved unreasonably, therefore, I can't blame the business for any financial losses claimed.

Before I explain further why this is the case, I think it's important for me to note I very much recognise Mr E's strength of feeling about this matter. He has provided submissions to support the complaint, which I've read and considered carefully. However, I hope he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised under a separate subject heading, it's not what I'm required to do in order to reach a decision in this case. My role is to consider the evidence presented by him and the business, and reach what I think is an independent, fair and reasonable decision based on the facts of the case.

In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but unlike a court or tribunal I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely than not to have happened.

In this instance, I don't uphold the complaint, in brief, for the following reasons:

- The business isn't responsible for any financial loss that might've occurred when this results from delays caused by matters that are outside of the business's control and the business hasn't done anything wrong – which I believe is the case here.
- I think it's likely that Mr E informed his IFA at some point between 20 and 23 August 2022 that he wanted to cancel his investment. He, like his wife who has a separate

but similar complaint, was probably worried about volatility.

- On 25 August 2022 the business was notified of his intentions, and an application was made for the cash ISA. At the time his ISA was valued at £121,527.84 but I've seen no evidence that he was guaranteed that's what he'd receive upon completion of the transfer.
- Given his concerns about volatility, it's likely that a decision was made by him to sell down his investments, in consultation with his IFA. In any case, the transfer was done as per his instructions – at a time when the markets happened to be volatile – and without any advice from the business.
- In any case, I note it was agreed that the ISA transfer would be best done at branch, so that he could open a cash ISA and transfer his existing ISA. Despite what Mr E says, I'm not persuaded that he was told, or led to believe, that the cash ISA would be set up and the transfer would complete there and then. On balance, I think it's likely he misunderstood what might happen and the time it was likely to take.
- I note that on 6 September 2022, Mr E was asked to verify his signature. I note that this was coincidentally also the date that Mr E's wife's ISA was sold.
- It's unlikely that the business wouldn't have sold his investment too if it didn't have issues relating to his signature.
- On balance I think it's likely that the business attempted to sell Mr E's investment – like his wife's – but couldn't because the signature wasn't verified, so requested the verification. Despite what Mr E says, the suggestion that the business had what it needed to proceed, but didn't of its own volition, is unlikely.
- I'm aware Mr E was abroad and couldn't respond sooner, and further delays were incurred, but that's not something I can blame the business for.
- There's also some suggestion that Mr E provided a photocopy of his passport when requested to do so, but the business didn't receive it which resulted in further delay. Whilst I don't blame Mr E for this, I also can't blame the business for not proceeding without having the information that it evidently required. I'm aware that the outstanding issues weren't resolved until 31 October 2022.
- I note on 4 November 2022 the investment was sold for £115,269.31 and received as cash on 10 November 2022. I note on 11 November 2022 additional interest was added and the money was transferred to the business. On 14 November 2022, the cash was received into Mr E's cash ISA – despite the business making clear that it could take up to five working days. In the circumstances and on balance, I don't think this timeframe is unreasonable, notwithstanding the passport verification issues.
- I appreciate Mr E is unhappy about the value of his cash ISA – compared to the value of his ISA prior to being transferred to cash. But despite what he says, there was no guarantee that he would get a specific sum, or the same value he was quoted earlier, once the transfer was complete.
- The value of the investment is dependent on the financial markets and not something that the business can predict or control. It's likely that the business notified him of the value of the ISA when the instructions were received, and he assumed that's what he'd get upon completion. I'm mindful the business strongly denies that Mr E would've been guaranteed a fixed value.
- I'm mindful that the guidance allows that a transfer can generally take up to 30 days, and the value of the investment can fluctuate during this period. It's also possible that it can take longer, but if it does this doesn't mean that the business is automatically at fault.
- In other words, there were some delays in this case, but I can't safely say that there was any wrongdoing by the business, therefore I can't say that the business is responsible for any losses claimed.
- It's possible that Mr E wasn't told the process could take a set number of days, but I think it's unlikely this was the case and/or that he was told the transfer would be instant – I've seen correspondence that would suggest it could take 15 days and if it

didn't the business would still pay interest from the day the request was made. So, in the absence of evidence to the contrary, I can't safely say that the business gave Mr E incorrect information.

- On balance, I think it's unlikely given that he was speaking to the business and had an IFA working on his behalf, that he thought the transfer would be immediate.
- Despite what Mr E says, on the face of the evidence, and on balance, I think the transfer was completed within a reasonable amount of time.
- Like the investigator, I also can't see that the business has done anything wrong. Therefore, I don't think it's responsible for any losses Mr E may have sustained.

I appreciate Mr E will be thoroughly unhappy that I've reached the same conclusion as the investigator. Furthermore, I realise my decision isn't what he wants to hear. Whilst I appreciate his frustration, I'm not persuaded to require the business to do anything. In other words, on the face of the available evidence, and on balance, I'm unable to uphold this complaint and give him what he wants.

My final decision

For the reasons set out above, I don't uphold this complaint.

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

Dara Islam
Ombudsman