

The complaint

Mr C complains that as a result of restrictions placed on his account by Barclays Bank UK PLC, he was unable to trade on the Smart Investor platform.

As a result, he says he's lost thousands of pounds. He doesn't accept Barclays' offer to pay him £100 compensation.

What happened

On 29 June 2020, Mr C contacted Smart Investor to say that he was having problems logging onto his account.

It was confirmed that his telephone account access was restricted, and he was passed through to the retail team to investigate further. It was found that Mr C had two customer records, so one was cancelled.

On the same day, Mr C spoke to the Smart Investor team again. He said he could see his portfolio but was unable to buy or sell shares. The adviser investigated this and confirmed that there were no further restrictions on the account. But the adviser only checked the telephone banking and not the buy/sell restrictions. So, there was still a 'buy' restriction on Mr C's Smart Investor account that hadn't been lifted.

Barclays originally said that it wasn't sure why there was a restriction on Mr C's account but has since worked out why. In short, it said that in 2015 Mr C held an Open Invest ISA and a Barclays Stockbroker ISA and Market Master, the latter was later renamed the Smart Investor investment account.

In 2015, the Open Invest ISA was migrated to the Smart Investor platform, as a closed book account with no online access, and wasn't charged any administration fees. In November 2015, Barclays applied restrictions to this ISA that meant Mr C couldn't deposit more cash, transfer in assets or place any invest/buy orders.

In 2017, Barclays migrated Mr C's stockbroker account to the Smart Investor platform, the restrictions were lifted, and full access should've been available from 26 August 2017. But in this case, only the restriction on deposits and transfers in were removed – the restriction on invest/buy weren't removed – and this is why Mr C was unable to buy any stocks.

On 7 July 2020, Mr C contacted Smart Investor again, via secure message, and said he was still unable to buy. This restriction was removed on 9 July 2020. Barclays says that if Mr C wanted to trade, he could've done so by phone, as it had been able to trade for him.

In August 2020, Mr C logged a complaint that he was losing money, but at this stage, all the restrictions had been lifted. Barclays offered Mr C alternative options – such as logging online, using the desktop version and he could also trade over the phone – as he was having trouble using the app, but Mr C declined these options.

One of our investigators considered the complaint and thought it should be upheld on the

basis that Barclays could've identified the restriction sooner. Although Barclays offered Mr C £100 compensation for the delays in answering his complaint, it should pay him another £100 compensation for not identifying the restriction sooner bringing the total compensation to £200.

The investigator also said that during the June 2020 calls, Mr C asked more questions regarding the 'app' as he hadn't logged into his account in some years. The issues were to do with Mr C's unfamiliarity with everything, not that he couldn't trade specific shares. So, in the circumstances, our service wouldn't award Mr C any compensation for any 'potential' losses, rather than actual losses. She notes that at no point did Mr C ask Barclays to trade online.

In response to the investigator's view, Barclays agreed to pay Mr C £200 compensation for the overall time taken to deal with Mr C and for not being able to identify the issue sooner. Mr C disagreed with the investigator's view and asked for an ombudsman's decision. He says he's made a loss of around £25,000 and doesn't feel the £100 goes anywhere near to compensating him for his loss.

As no agreement had been reached, the matter was passed to me for review.

On 21 January 2022, I issued my provisional decision, a copy of which is stated below and forms part of my final decision:

"...provisionally I'm going to uphold this complaint.

On the face of the evidence, and on balance, despite what the parties say, I'm not persuaded that Barclays' offer to pay Mr C £100 compensation is fair and reasonable. In the circumstances, and on balance, I think it should pay Mr C another £150 for not being able to identify the issue with his account sooner and the distress and inconvenience caused by this.

Before I explain why this is the case, I think it's important for me to note I very much recognise Mr C'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 that 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. My role is to consider the evidence presented by him, and Barclays, 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 it's for me to decide, based on the available information I've been given, what's more likely than not to have happened.

Barclays generally accepts that overall it fell short of the standard of service Mr C could expect. I don't think there's any dispute about the inconvenience he experienced in trying to work out what had happened and why.

Having listened to the June call recordings, I'm also mindful of Mr C's views about the new platform – features that are no longer available and so on – but it's a matter for Barclays, in the exercise of its legitimate commercial judgement, as to how it runs its business. It's not generally our place to interfere with this process. So, I can't blame Barclays for choosing to move to the Smart Investor platform.

What seems to be at the heart of this complaint is whether (or not) Barclays prevented Mr C

from trading - thereby causing him a financial loss. And on the face of the evidence, and on balance, I'm not persuaded that it did.

Despite what Mr C says, I'm unable to safely say that he wasn't able to trade when he wanted to. The primary reason for this is that I've not seen any evidence that persuades me that Mr C wished to trade when he says he did, or that Barclays prevented him from doing so. In other words, there's no evidence that Mr C had instructed Barclays to trade shares or that Barclays had failed to carry out his instructions.

I note any restrictions placed on the account were sorted by early July 2020, but I agree with the investigator that this should've been done sooner, without Mr C having to repeatedly call the business.

The above notwithstanding, I note in August 2020 Mr C called Barclays about issues he was having with its app, he mentioned that it keeps freezing every time it gets to 'order types' and doesn't progress to step four. I note the operator spent some time troubleshooting and giving Mr C options about what he might do to resolve the issue. I note that there was no suggestion that this was a Barclays wide issue at the time and I'm mindful that the account restrictions had already been lifted.

I note Mr C asked if the operator could trade for him, but despite being given an opportunity to do so, it seems Mr C wasn't happy to pay a £25 charge for every transaction. Despite saying that he hadn't had access to his account for two/three months, I note Mr C subsequently clarified that he'd bought shares a few weeks ago. The operator also clarified that Mr C had placed a trade/limit order on the (previous) Friday.

Mr C then clarified that it wasn't the access but the 'execution' that he was talking about, and he was calling because the app wasn't working, and he couldn't logon online. Despite his best efforts, the operator couldn't resolve the issues. I note the operator changed Mr C's desktop to 'dual membership' and gave instructions about how Mr C could obtain a 'onetime' passcode to enable him to login online on his desktop before the phone cut.

When the operator called back and apologised for the line cutting off, Mr C confirmed that he wished to complain about not being able to invest through the app and not have access online. In terms of resolution he said he wanted compensation as he'd lost a lot of money.

I appreciate what Mr C says about share dealing over the telephone, and I appreciate he didn't want to pay the higher charges for dealing over the phone which is entirely a matter for him. But the issues raised by him seem to be more to do with the practicalities of trading over the phone, rather than not having the opportunity to do so at all. I'm not suggesting it would be easier or cheaper than trading online, just that it was an option available, should Mr C wish to pursue it. Despite the issues experienced by Mr C, Barclays didn't stop him from trading.

I appreciate the problems Mr C had with the app, but in the circumstances the evidence is inconclusive as to whether the cause of the problem was at Barclay's end or Mr C's. Although the fact there is no record that any other client had a problem, and nothing picked up internally to suggest there was an issue, perhaps indicates the problem was more likely to be at Mr C's end.

Even if I did make a finding that the problem was at Barclays' end – which I don't – there's no evidence that this was because of something Barclays did wrong. And as I have already indicated, it isn't reasonable to expect a business that provides an online service to guarantee that the service will always be available as it can be affected by matters completely outside of its control.

As I've mentioned above, Barclays did provide an alternative method of trading, by phone. I note what Mr C has said about this and accept it isn't the same as online trading in terms of either convenience, cost or otherwise. But the option of using the phone isn't provided on the basis that it provides the same service as the online service. It is to allow customers the opportunity of carrying out a trade when they don't have access to the online service

Despite what Mr C says, I'm aware that the alternative of using the phone instead of the online service is common with stockbrokers and I'm satisfied is a reasonable alternative to the online service when this isn't available.

In summary, there is no persuasive evidence that the problem with the app was at Barclays's end, or that if it was, that this was the result of anything it had done wrong. I'm mindful that when Barclays was made aware of issues it tried to deal with the situation and offer Mr C options to resolve the issues.

In the circumstances, it wouldn't be fair or reasonable to hold Barclays responsible for Mr C not being able to trade, given that it provided an alternative way to trade by phone. I appreciate Mr C will be thoroughly unhappy that I've reached a different conclusion to the investigator, but I still haven't given him what he wants. Whilst I appreciate his frustration, I'm afraid I'm unable to uphold this complaint and give him what he wants."

I gave the parties an opportunity to respond to my provisional decision and provide any further submissions they wished me to consider.

Barclays responded and accepted my provisional decision.

Mr C also responded after being contacted by the investigator. He said he'd missed the email. Other than expressing his unhappiness with the outcome – and the legal system which favours big organisations – he made no further points.

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, in light of no new material submissions, my decision to uphold this complaint remains the same, for the same reasons as set out in my provisional decision.

In other words, no new points have been made that persuade me to change my decision. In this instance I'm still satisfied that the key points remain the same, and have been considered by me, in my provisional decision.

On the face of the evidence, and on balance, I uphold this complaint. I'm still not persuaded that Barclays' offer to pay Mr C £100 compensation is fair and reasonable.

In the circumstances, and on balance, I think it should pay Mr B another £150 for not being able to identify the issue with his account sooner and the distress and inconvenience caused by this.

Putting things right

Barclays Bank UK PLC should pay Mr C £250 compensation less any money already paid.

My final decision

For the reasons set out above, and in my provisional decision, my final decision is that I uphold this complaint.

Barclays Bank UK PLC should pay Mr C redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 March 2022.

Dara Islam
Ombudsman