

The complaint

Mrs P complains as trustee of a trust, ("T") that Barclays Bank UK PLC failed properly to compensate T for the bank's poor service.

What happened

The background to the complaint is set out in my provisional decision dated 27 May 2022, which forms part of this decision.

I provisionally concluded that the complaint should be partially upheld. But I didn't think it would be fair to ask Barclays to pay T compensation for the loss of an investment opportunity which the trustees had claimed.

In summary I said:

- It is not in dispute that Barclays made errors and provided poor service to T – including:
 - Failing in 2018 to open the trust account in accordance with the trustees' instructions and ignoring representations by Mrs P that they'd made an error.
 - Loss of documents in July 2019 which meant they did not remove Mr E as a signatory on the account mandate and record Ms W as his replacement.
 - Delay in updating Mrs P's new address which resulted in statements being sent to her old address and then had to be redirected.
- Although I agree that in 2018 the account was not set up as the trustees had instructed, and which Barclays have acknowledged, nonetheless, I've not been persuaded that Barclays' error meant the trustees were denied access to the account. The effect of the bank's error was that Mrs P and the other trustees could not operate the account solely. Rather, instructions to the bank had to be given jointly by the trustees. Whilst I acknowledge that this resulted in added inconvenience to the trustees as they all had to be involved every time an instruction had to be given, this doesn't equate to a denial of access to the account.
- Mrs P has shared with us a completed application form which was signed in June 2019 for an investment fund. She says it was the trustees' intention to invest the proceeds of the account in that fund. Mrs P goes on to say the application was never submitted because the trustees were unable to draw a cheque on the account. She maintained that the inability to draw the cheque stemmed from the bank's failure to put right its 2018 error as well as its further delay in 2019 to retire Mr E from the mandate in favour of Ms W as the new trustee.

As I have previously noted, I consider that it would, nonetheless, have been possible for the trustees to operate the account. It is worthwhile noting also that in June 2019 when the trustees were contemplating reinvesting the funds in the account, they hadn't yet asked Barclays to remove Mr E from the account mandate.

By way of added compensation, to recognize of the trustees' inability to invest the funds elsewhere, the investigator recommended that Barclays pay 0.05% interest on the

account balance from the date the trustees originally requested the funds be removed from the account to the date they were withdrawn. However, given my finding that the errors made by Barclays did not prevent the trustees from operating the account and invest the funds elsewhere, I don't consider that bank should have to compensate T in that regard.

To be clear, I acknowledge that there had been avoidable inconvenience to the trustees as a result of Barclays' failures. However, I am of the view that this did not prevent the trustees from investing the funds elsewhere and therefore I am not minded to award any compensation for the loss of any investment opportunity as T has claimed.

- Mrs P has claimed the trust incurred extra solicitors' costs arising from the transfer of the account proceeds from Barclays to the account the trustees later opened with another bank. But I've seen no evidence of these costs. So, I'm not at present persuaded it would be fair to require that Barclays reimburses such costs to T.
- Mrs P has told us that in all the time she has dealt with Barclays they have failed to act on any of the trustees' instructions apart from eventually amending her address details and in February 2020 paying the £500 compensation that had been promised back in July 2019. That is largely true. And I've noted above the inconvenience caused by, for example the need to redirect post from Mrs P's old address to her new one.
- On top of that the combination of the bank's failure to put right its 2018 error and the loss of T's documents in 2019 would no doubt have caused the trustees some frustration. And I'm persuaded the operation of the account was made less easy than otherwise it might have been if the trustees were able to do so individually. Barclays have already paid T £500. But I agree with the investigator they should do more. Barclays should pay an additional £150 in further recognition of the inconvenience caused to T.

Barclays accepted my Provisional Decision. T didn't. On its behalf Mrs P reiterated the arguments she originally made that by altering the account opening documents in the way they did, not only were Barclays' actions quite serious they were responsible for the subsequent chain of events.

And in relation to the lost investment opportunity, although Mrs P acknowledges that at the time T could have obtained Mr E's signature to transfer the account proceeds to the investment fund, she said T would have incurred a cost in doing so.

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 see no reason to depart from the conclusions I reached in my Provisional Decision. I'll explain why.

Barclays have agreed they made an error when in 2018, contrary to the trustees' instructions they altered the basis on which the account operated. I'm satisfied that in turn, the knock-on effect was that the operation of the account became less straightforward, not least in the circumstances the trustees faced in June 2019. As Mrs P explained Mr E's signature would have been required to transfer the proceeds of the account to the investment fund. But she goes on to explain that this would have come at a cost to T if the trustees had followed through with their intention. But they didn't.

The fundamental point, however, is that contrary to T's case the trustees weren't precluded from operating the account because of what Barclays did wrong in 2018, although I'm satisfied it caused T avoidable inconvenience

Putting things right

Having considered everything I remain of the view that the settlement set out in my Provisional Decision is fair and reasonable in the circumstances of this complaint.

My final decision

My final decision is I uphold this complaint. In full and final settlement, I require Barclays Bank UK PLC to pay T £150 in recognition of the inconvenience caused to T.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 28 July 2022.

Asher Gordon
Ombudsman