

## The complaint

Mr T's complaint against Barclays Bank UK PLC is about the time taken to complete the transfer of his ISA funds to another provider.

## What happened

Mr T held a cash ISA with Barclays. On 28 September 2020 Mr T requested that his ISA funds be transferred to a stocks and shares ISA with another provider ("company A"). The transfer was declined several times and then delayed before it was finally completed on 10 March 2021. The amount transferred was approximately £95,000.

Mr T complained to Barclays about how long the transfer had taken. He said the delay had caused him unnecessary stress and inconvenience and meant that he was unable to invest a significant amount of his savings sooner. He asked Barclays to pay compensation of 2% interest on the amount transferred for the period of delay, which he put at 133 days.

Barclays upheld Mr T's complaint, acknowledging they had not processed his transfer request when they should have. They said that Mr T's balance being over £50,000 had caused the problem, but they accepted that Mr T had replied to their correspondence on numerous occasions to give his permission for the transfer. Barclays paid Mr T £100 in compensation for the inconvenience caused to him. Mr T was unhappy with that and brought his complaint to the Ombudsman Service.

Our investigator looked into Mr T's complaint. In summary, his findings were:

- Government guidelines say that ISA transfers of this kind should take no longer than 30 calendar days.
- Mr T's transfer request was sent to Barclays by post on 2 October 2020. The request was declined twice in October 2020 because of a mismatch between the address provided and the address Barclays had for Mr T.
- Mr T amended his address with Barclays and the transfer request was resubmitted to Barclays by post on 13 November 2020. That request wasn't received by Barclays. Although that might have added to the delay, our investigator didn't think Barclays could reasonably be held accountable for something they had no control over.
- Having been chased for an update by Mr T, company A posted the transfer request again on 11 December 2020. Barclays requested an updated transfer form the following week and that was submitted to them on 29 December 2020.
- There were further delays after that, relating to Mr T's address and the fact that the amount transferred exceeded £50,000. But our investigator thought that Barclays had all the information they needed to complete the transfer by 6 January 2021 and were largely responsible for the delays after that date.

- When the transfer was eventually initiated in March 2021 it took six days to complete. As Barclays had everything they needed from 6 January 2021, then it's reasonable to assume the transfer would have been completed on 12 January 2021 if nothing further had gone wrong.
- Mr T invested his funds from 10 March 2021 and would have done so sooner if the transfer had not been delayed.
- Barclays should calculate (using the FTSE UK Private Investors Income Total Return Index) the investment returns Mr T lost out on between 12 January and 10 March 2021 and compensate him for that sum. They should also pay him an additional £100 for distress and inconvenience.

Barclays accepted our investigator's findings. Mr T disagreed and said, in summary, that:

- 12 January 2021 was not a reasonable date to assume completion of the transfer. It attributes the delay up to that point to him when Barclays had a range of better options to address that delay. If they had chosen to contact him or company A then the delay would have been much shorter.
- Barclays have accepted they were at fault and so should be held responsible for some of the delay before 12 January 2021.
- The proposed benchmark does not reflect his actual investment behaviour. And it is unreasonable to expect him to agree to the proposed compensation without being able to calculate how much it would mean. He suggests that it would be fairer for compensation to be based on an interest award.

As Mr T disagrees with our investigator, his complaint has been passed 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.

I'd like to reassure Mr T that I have looked carefully at all the information he has provided. Having done so, I hope he won't take it as a discourtesy that I haven't addressed every point he has raised. Instead, I've concentrated my findings on what I consider to be the key factors in reaching a fair and reasonable outcome to his complaint.

In their response to Mr T, Barclays accepted that they caused unnecessary delay in the transfer of his funds. They said the transfer request failed their validation checks because it was for over £50,000 even though Mr T had already given his permission for the transfer to go ahead. And Barclays have accepted our investigator's finding that they should compensate Mr T for the delay between 12 January and 10 March 2021. The key issue I need to consider in this decision therefore is whether Barclays were responsible for at least some of the earlier delay and, if they were, what they should do to put things right.

It seems the earlier delays were caused by two problems. The first was a mismatch between the address Mr T gave on the transfer form and the address Barclays held on file for him. Barclays explained that for a transfer to go ahead all the information about the customer must match. I think it was fair and reasonable for Barclays to reject the transfer request on

that basis. And from what I've seen, I think Barclays explained clearly to Mr T and company A why they had rejected the request and what they needed to do.

Mr T has said Barclays held multiple contact details for him and should have been able to resolve the address mismatch more quickly. I accept that Barclays could have tried alternative ways to contact Mr T and speed things up. But it's not my role to tell businesses how they should contact their customers. I'm satisfied that Barclays followed their agreed process and I don't think it would be fair to hold them responsible for the initial delay that arose because of the address mismatch.

The second cause of the earlier delays related to the transfer request that was resubmitted to Barclays by post on 13 November 2020. Barclays have said they didn't receive that request. I can't be sure what happened to that correspondence, but I've not seen any evidence that it was received by Barclays. So, I don't think it would be fair to hold Barclays responsible for the delay that resulted.

Overall, I've not seen enough evidence to say that Barclays did anything wrong in relation to the two problems I have discussed above. And I don't think it would be fair and reasonable to hold them responsible for the delays that resulted from those issues.

From the evidence I've seen I agree with our investigator's findings – which Barclays have accepted – that Barclays had all the information they needed to process the transfer on 6 January 2021. Based on the time taken to complete the transfer once it was initiated in March, I think it is reasonable to say it would have been completed by 12 January 2021 if Barclays had not caused further delays. I think Barclays should therefore compensate Mr T for the delay between 12 January and 10 March 2021.

### **Putting things right**

In assessing what would be fair compensation, my aim should be to put Mr T as close to the position he would probably now be in if Barclays had not caused unnecessary delays with his transfer.

Following the completion of the transfer on 10 March 2021, Mr T invested the large majority of his funds within a few days. I think it is reasonable to say that he would most likely have invested his funds promptly if the transfer had been completed by 12 January 2021. So, I think Barclays should compensate him for any returns Mr T missed out on because his funds were not invested between 12 January and 10 March 2021.

I have considered what Mr T has said about how he should be compensated. I accept it is not possible to say *precisely* how he would have invested his funds. But I am satisfied that what I have set out below is fair and reasonable given how Mr T invested his funds in March 2021 and the circumstances of this case.

To compensate Mr T fairly, Barclays must:

- Establish what the cash value of Mr T's ISA would have been on 12 January 2021.
- Using that cash value, calculate the return Mr T's funds would have achieved against the FTSE UK Private Investors Income Total Return Index benchmark between 12 January 2021 and 10 March 2021 and pay him that amount. If, according to that calculation, no returns would have been achieved over that period then no compensation is payable.
- Pay a further £100 for the distress and inconvenience they have caused him. Mr T

had to repeatedly chase up his transfer request and I don't think the £100 already paid by Barclays is sufficient compensation for the impact this had on him.

I have chosen this method of compensation because the FTSE UK Private Investors Income Total Return Index is a mix of diversified indices representing different asset classes, mainly UK equities and government bonds. It would be a fair measure for someone who was prepared to take some risk to get a higher return. I think it is fair in this case given how Mr T invested his funds when they were transferred in March 2021.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold Mr T's complaint against Barclays Bank UK PLC.

Barclays should pay the amount calculated as set out above. They should provide details of their calculation to Mr T in a clear, simple format.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 29 November 2022.

Matthew Young  
**Ombudsman**