

The complaint

Mr S complained that the compensation offer of £275 made by Barclays Bank UK PLC in respect of admitted delays when transferring his ISA from another financial services provider was inadequate. He felt the significant distress and inconvenience he was caused over seven months whilst the matter was unresolved warranted a payment of around £500.

What happened

On 10 December 2020, Mr S requested Barclays to transfer his ISA from another high street bank to Barclays Smart Investor, an online execution-only investment platform Barclays offered to its current account customers with access to a smartphone.

As a result of delays by both banks, the transfer took seven months to complete.

Mr S complained to Barclays about how long the transfer had taken. In addition to the anxiety this had caused him, he said the delays had limited his options for trading.

Barclays acknowledged there had been some shortcomings on its part. It had mislaid the completed transfer authority that Mr S had provided on 10 December 2020 but didn't follow this up until 8 January 2021. It subsequently located his signed transfer authority on 12 January 2021 and forwarded it to the transferring bank the same day.

When it didn't hear back, it chased this up on 5 February and 18 March 2021. This prompted a response on 24 March 2021 and a transfer was made on 14 April 2021.

The transfer however hadn't been completed – Barclays told us that the cash balance and an asset that had been undergoing a corporate action during the transfer was not transferred until 29 June 2021. Barclays said it appeared to have been missed when initially arranging the transfer and due to a backlog of transfers and an increased workload it had failed to pick up Mr S' transfer authority. Additionally, it said this also caused a delay in sending out its chaser emails.

Barclays said this wasn't the level of service it aimed to provide and apologised. It offered to pay Mr S £175 for distress and inconvenience this may have caused.

Barclays didn't identify any financial loss as it said if Mr S had wanted to trade he could have got in touch and Barclays would have assisted at that time. But it felt it had taken longer than it should have done to deal with Mr S' complaint and offered him an additional £100 for that reason.

Mr S didn't feel this went far enough to resolve things and so he brought his complaint to us and one of our investigators looked into what happened.

Our investigator was sympathetic but felt that the £275 redress offered in total by Barclays was fair and reasonable. So she didn't recommend that Barclays needed to do anything more.

Mr S disagreed with our investigator. He feels that the redress offered falls well short of what is reasonable in these circumstances to reflect the anxiety and distress over the seven months he was trying to establish that the transfer was taking place. He feels whilst both banks were culpable, the other bank had fully recognised its responsibilities and awarded him £250. As he considered Barclays was the lead party, he expected Barclays to pay more than this. Mr S compared his complaint to other cases he had seen in the financial press where higher compensation awards were made and also drew on other experience within his personal knowledge. He said he accepted Barclays' apology and the £100 compensation for the second delay but felt strongly that £175 was paltry and an inappropriate amount in the circumstances.

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 far as I can see, the background facts are not in dispute and as Barclays has upheld Mr S' complaint I will concentrate on the question of fair redress, which is Mr S' main concern now and the reason he has requested an ombudsman referral.

There's information on our website which explains the Financial Ombudsman Service approach. Briefly, I need to decide what I think is likely to have happened if Barclays hadn't made an error – in other words, if it had not been responsible for delays and poor service in the course of actioning Mr S' transfer request.

I can completely understand Mr S' frustration at the delay he encountered when it took so long to carry out his transfer instructions. Although the delays were not all Barclays' fault, it has agreed that it was responsible for a severe breakdown in communication, it had overlooked his initial transfer authority and one of his assets and recognised that it had taken too long to send chaser emails and follow up with the other bank.

It also failed to keep in touch with Mr S during the transfer process so he was unaware, for instance, that Barclays had told the other bank it could not accept one of the assets in his ISA which resulted in Mr S having to chase again on 11 May 2021.

Subsequently, Barclays discovered the asset was available to trade and it set up a new instruction and emailed the sending bank with new trade and settlement dates. Barclays said the other bank appeared to have missed this on 17 May 2021 and another escalation was raised and it issued more dates for this asset. This explains why it took until 29 June 2021 until the transfer completed in full, but much of this information was not communicated to Mr S at the time so he was mostly kept in the dark about what was happening throughout this period.

I can appreciate these delays and the lack of communication were a significant worry for Mr S, keeping in mind that it took from 10 December 2020 until end-June 2021 to complete the transfer – effectively a period of almost seven months. Mr S told us that this ISA accounted for a large proportion of his retirement portfolio so, understandably, he was concerned.

Although Mr S mentioned his trading options were limited whilst the transfer was stuck in limbo, I haven't seen enough to show that Mr S has suffered any financial loss – and he has said he isn't claiming any quantifiable loss. His main concern is that the full impact of the seven months' delay is properly reflected in an award of compensation.

I've carefully considered compensation for Mr S given the frustration and worry he's experienced as a result of Barclays' admitted service failings. I think that Barclays' offer of £275 overall falls short of what I would consider fair compensation to reflect the significant distress and inconvenience it caused Mr S resulting from its failure to process his transfer authority within a reasonable timescale.

I have noted that the cash in the ISA was sent to Barclays from the other bank on 13 May 2021 and Barclays credited this to Mr S' account the next day.

I've also taken into account that Barclays reviewed its compensation offer at the request of our investigator and told us it believes the amount it offered is well within what it would offer on a complaint of this type. It said that as there were no new complaint points to consider it was unable to increase its offer.

Whilst the full seven months delay was partly caused by the other bank, I think Mr S was reasonably entitled to think Barclays should have done more to keep on top of things, especially after it added avoidable delay to the process when it mislaid the transfer authority at the start. Also bearing in mind, it was, as Mr S said, arguably the lead party responsible for managing the transfer.

When it became clear that Barclays had also overlooked one of the assets it should have included in the transfer I think this was likely a further source of frustration and worry for Mr S whose confidence in Barclays and his patience was, understandably by now, sorely stretched.

Effectively Mr S was left feeling stressed and anxious about what was happening with a big part of his retirement portfolio for more than half a year.

Barclays could have sorted things out much sooner had it handled the transfer more effectively. After overlooking the transfer authority for almost a month at the outset, it was another couple of months before Barclays chased up the other bank when it delayed. And when it was clear in April 2021 that the transfer was incomplete, Barclays failed to keep Mr S updated whilst it was still chasing the other bank.

I find that a payment of £400 is fair redress overall to reflect the impact on Mr S of the admitted shortcomings on the part of Barclays and the poor service issues I have mentioned above, throughout the time it took for his transfer instruction to complete."

What the parties said in response to my provisional decision

Mr S accepted what I said in my provisional decision.

Barclays confirmed that, after consideration of my findings, it has now agreed that it will increase its settlement offer to £400.

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 thank both parties for all the information that has been provided about this matter and Barclays, in particular for responding constructively to my provisional decision. Given that I've not received any further evidence or comment that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision.

Putting things right

If it hasn't already done so, Barclays Bank UK PLC should pay Mr S £400 redress in total.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC to take the steps I've set out above to put things right for Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 November 2022.

Susan Webb
Ombudsman