

The complaint

Mr T complains that Barclays Bank Plc delayed the transfer of his ISA to a new provider. He wants compensation for the fall in value of his ISA investments and for the distress and inconvenience he's been caused.

What happened

Mr T had a stocks and shares ISA with Barclays. He wanted to transfer the ISA to a cash ISA with a third-party provider, who I'll refer to as "N".

Mr T says N sent instructions to Barclays on 22 April 2022, but that Barclays didn't sell his investments until mid-October 2022 and the transfer wasn't completed until 2 November.

Barclays apologised that it had logged the request as a stock transfer, and not a cash transfer, and that this caused the delay. It said it received the transfer request from N on 5 July and so, if it hadn't made a mistake, the first possible date it would have sold Mr T's investments was 12 July. It used the value of his ISA on this date, compared to the amount transferred to N on 2 November. It calculated Mr N had made a loss of £2,133.68. It said Mr N would have received interest at a rate of 1.7% on this amount, if it had been transferred when it should have and it offered to pay him the lost interest which it calculated to be £253.76. It also offered to pay him £250 for the inconvenience it had caused.

Mr N didn't agree that this fully compensated him.

Our investigator agreed that Barclays caused unreasonable delays and that Mr T should be compensated. She thought Barclays should have been in a position to sell Mr T's holdings on 10 May and for the proceeds to be transferred to Mr T's cash ISA with N on 19 May and that Barclays should use these dates to calculate Mr T's loss. She said interest should be at the rate of Mr T's cash ISA with N which was 1.40%. She also concluded Barclays should pay Mr T £300 for the distress and inconvenience caused.

Mr T agreed and asked for Barclays to pay the compensation to his Barclays account.

Barclays didn't agree. It said, in summary, that N hadn't correctly addressed the transfer request.

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.

Firstly, I'm aware that I've summarised this complaint in far less detail than the parties and in my own words. There is a considerable amount of information here, but I've focussed on what I think are the key issues. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not

mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Barclays accepts it caused a delay to the transfer because it wrongly treated it as a stock transfer. The matter which remains unresolved is what date the transfer should reasonably have taken place if Barclays hadn't made a mistake.

The investigator set out in some detail why she thought 3 May should be the date used for when Barclays received the transfer instruction. And, after careful consideration, I agree with her conclusion. I won't repeat everything again here but, in summary:

- N's records show that it sent the transfer instruction by post on 22 April 2022.
- Barclays wrote to N on 3 May saying it couldn't locate Mr T's account – so it must have received the transfer instruction by this date.
- I'm persuaded that the transfer instruction contained enough information for Barclays to reasonably be able to locate Mr T's account and send the instruction to the correct team for action. And that this should only have caused a short delay.

Barclays said it couldn't locate receipt of the postal instructions. But I find it must have received them sometime between 22 April and 3 May because it replied. And Barclays didn't provide any further comment in response to our investigator's conclusion that it should have been able to locate Mr T's account with the information it was sent, other than saying that it contacted N on 22 June to ask if the transfer was cash or stocks.

In the circumstances, I think it's more likely than not that Barclays had received the transfer instructions by 3 May. There was likely to be a short delay in it being able to locate Mr T's account and prepare the sales, and I think the investigator's recommendation to use the sale values on 10 May is fair. Taking into account how long it took to transfer the money to N once Barclays did sell Mr T's investments, I think it's reasonable to assume the transfer to N would most likely have been completed on 19 May.

Barclays continued to charge Mr T management fees, which he wouldn't have paid had the ISA been transferred when it should have. Barclays should refund its fees charged from 19 May 2022 to the date the ISA closed. As Mr T has been without that money, Barclays should add interest at 8% simple on the fee refund.

The transfer of a stocks and shares ISA is generally expected to take up to 30 calendar days. The transfer in this case was relatively straightforward as it was a transfer to a cash ISA. The transfer took considerably longer – around six months - because Barclays made mistakes. During this time, Mr T made several lengthy phone calls to both parties and visited a branch to try to resolve things. And he was worried that his investments were decreasing in value during this period. I think it's fair that Barclays pay Mr T £300 to compensate him for the distress and inconvenience he was caused.

Putting things right

Barclays Bank plc should:

1. Calculate the value of Mr T's ISA stocks and shares if they'd been sold on 10 May 2022.
2. Add interest at 1.40% from 19 May 2022 (when the cash should have been received in the cash ISA) to the date of settlement.
3. Deduct the amount transferred to N in November 2022 from the total calculated and credit this sum to Mr T's cash ISA held with N.

4. Refund its management fees charged from 19 May 2022 to the date the ISA closed. Barclays Bank Plc must also pay interest on this amount at the simple rate of 8% per year from the date the fee was debited from Mr T's account to the date it makes the payment. *

5. Pay Mr T £300 to compensate him for the distress and inconvenience caused.

* HM Revenue & Customs requires Barclays Bank Plc to take off tax from this interest. Barclays Bank Plc must give Mr T a certificate showing how much tax it's taken off if he asks for one.

My final decision

My final decision is that I uphold this complaint. Barclays Bank Plc should pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 July 2023.

Elizabeth Dawes
Ombudsman