

The complaint

Mr M complains about Barclays Bank UK PLC, referred to as “Barclays” or “the business”, about his experience of the smart investor platform.

In short, he says Barclays made a major error on his account by choosing to ignore his instructions to trade. It then tried to remedy the error but ended up compounding it. Matters were then made worse by poor communication.

Mr M is unhappy with the redress offered by Barclays. He would like Barclays to pay for the losses claimed as well as significant compensation for distress and inconvenience caused.

What happened

Mr M has an investment ISA with Barclays – he generally day-trades in FTSE 100 companies like BP and Glencore. He says he trades on a “matched” basis, buying a specific number of stock and later selling that specific number.

On 13 August 2021, Mr M tried to purchase Glencore shares using the smart investor online platform. Due to system errors the trades showed as “*pending*”, suggesting that his instructions hadn’t gone through. Barclays says that this is when the “*quote and deal outage*” happened – around 15:00 with this being resolved by approximately 16:15.

On the same day, Mr M contacted Barclays via the online chat and was told that 14 trades out of the 80 attempts had been executed, reducing his cash balance by around £120,000. He’d only intended to place one or two buy orders.

During the chat Mr M noticed that the price of the shares had increased, so he asked the business to sell the executed orders, so that he’d at least benefit from the error. However, he was told that they couldn’t take the order via chat but would refer him to another team to explore how they could correct the position. Barclays says Mr M was led to believe that it wasn’t an easy fix.

Mr M, expecting all the executed orders to be sold, placed an additional buy order at 16.19 the same day, so that he’d be left with the same number of orders as he’d originally intended.

But Barclays didn’t sell the shares and confirmed this during a webchat the next morning on 14 August 2021. The same day Mr M texted Barclays instructing them not to take any action, in other words leave things as they are, and that he’d deal with the mess himself.

On 16 August 2021, at 07:49, Mr M told Barclays via webchat that he’d sell the shares himself to which Barclays said: “*that is great*”. Presumably, Mr M, like the operative, was under the impression that no action had been taken in relation to the executed orders.

At 08:00 that day, and before the remedial action, Mr M sold 9,547 shares (around £40,000) to correct four of the unintended buy orders. However, Barclays in due reversed 13 of the 14 trades between 16 August 2021 and 17 August 2021, which it says it did to correct the error

whilst keeping the trade that he'd intended to make, and money was transferred to his smart investor platform. However, this meant the sale that Mr M put through was a duplication – Barclays had also (erroneously) reversed the buy order he'd placed at 16:19 on 13 August 2021. In respect of the last part Barclays offered to buy back the share, with no cost to Mr M, but he refused.

Mr M is unhappy that Barclays didn't sell the shares at profit when he instructed it to do so. He says he would've bought more Glencore shares using his reserves when the share price fell on 16 August 2021, and then sold them when the price recovered either that day or the next day. However, he was prevented from doing so because his cash balance was depleted by erroneous trades, so he's lost this opportunity. He therefore wants compensation for this too.

Mr M also says that because of the duplicate sale, his system of matched trading was disrupted, because it took shares from his existing Glencore holdings. And because he was unsure about his position, he ended up selling all his holdings to cash to reset his portfolio, all of this caused him a great deal of anxiety.

In November 2021, Mr M suggested that Barclays should reverse the 'duplicated' cancellations they carried out. He said it could've purchased the shares for him at a lower price, giving him an additional £3,000 value.

One of our investigators considered the complaint and thought it should be upheld. In summary, he said:

- Barclays upheld the complaint – it accepts that a systems error occurred on 13 August 2021 and this caused Mr M to buy more shares than he intended to. The concern is whether or not the redress offered by Barclays is fair and reasonable.
- If the (initial) systems error didn't happen, it's likely that Mr M would've bought two lots of shares, and at some point he would've sold those at profit if possible – this was his general pattern with Glencore shares.
- During the chat Mr M was asked what trades he intended to complete, but he didn't answer, so it's not clear what his intentions were in this instance. However, this notwithstanding, Barclays still failed to carry out his instructions to sell shares that he'd acquired.
- An internal query was raised by Barclays over what would happen where a customer holds extra shares due to an error by it and the answer was: *"We can sell and let the customer keep the profit"*. So, the opportunity was there, and Mr M's actions should've been acted upon, but Barclays didn't take action.
- Barclays said that Mr M could've sold the stock himself that day, but it was unreasonable to expect him to do so, when the trades were showing as "pending" only earlier that day. He wouldn't have known whether placing manual sell orders would've created further problems, and the adviser didn't suggest he do so either.
- Even if Barclays had acted on Mr M's instructions, it's not clear when it would've sold the shares. So, by way of redress for this error Barclays should calculate the profit Mr M would've made if he'd sold the 14 original executed transactions based on the average market price from when he first requested the sale at 15:52 until the end of the trading that day – it should pay him the profit made.
- Barclays should also add 8% interest on this amount from 13 August 2021 to the date of payment because Mr M has been deprived of access to this money, and he probably could've been earning a return on the money. It's likely he would've continued to trade using the extra profit, but Barclays' error led to Mr M selling the shares himself.

- On 14 August 2021 Mr M sent Barclays a text message. Barclays says it picks up text messages within 48 hours, so wouldn't have had an opportunity to respond to him. Mr M still double checked the position on webchat (the next day) before selling the shares himself – the business even confirmed that he was ok to go ahead.
- Barclays should've told Mr M that it was in the process of reversing the trades but didn't. Of course, if it had acted on his instructions in the first place this wouldn't have happened in any case.
- Barclays offered to pay Mr M £380.53 – the difference between the purchase price and sale price – which is broadly fair and reasonable in the circumstances, because Mr M sold the shares at a loss.
- He doesn't accept that Barclays should've taken advantage of the lower price in November 2021 by reversing the sell orders and buying more orders with the money. Mr M had already received the cash proceeds from the duplicated sales, and presumably used this to trade between August 2021 and November 2021.
- Barclays couldn't retrospectively reverse this in November 2021, if it did, Mr M would've benefitted from having cash to trade plus extra shares (in November 2021), from his proposed redress. Mr M was also free to buy extra shares himself in November 2021.
- Barclays had also reversed the final (intentional) trade Mr M placed at 16.19 on 13 August 2021. Despite what Mr M says, Barclays offer to buy back these shares at no extra cost to Mr M is fair and reasonable.
- In the chat dated 13 August 2021, Barclays listed all the executed trades. By 17 August 2021, all except one trade had been reversed by Barclays. Mr M confirmed the trades appeared on his account, albeit in a confusing manner.
- On 18 August 2021, Barclays confirmed that it had reversed the trades. In the circumstances it's likely that Mr M by then, had all the information he needed to understand which trades had been placed and reversed.
- The above notwithstanding, the duplicate sale orders were likely to have impacted Mr M's 'matching' system. Some of his pre-existing Glencore holdings were sold, which he hadn't intended to sell – he couldn't match this against when these shares were purchased.
- In terms of a solution, Barclays could offer to return the exact number of shares that were 'double sold' for the same price Mr M had received. Or, Barclays could provide Mr M the full calculation behind the "£380" figure, so he can work out the purchase price for the 'double-sold' shares and reconcile it with his records.
- In the circumstances, there's no record that Mr M raised an issue with Barclays. On 20 August 2021, he advised them that he'd purchased more shares and that the position was "fine". So, Barclays didn't have an opportunity to help Mr M reconcile the position for his matching system.
- By 18 October 2021, Mr M sold all his holdings to cash. But it was his decision, so Barclays can't be held responsible for the impact of this.
- Mr M's cash balance was used up by the erroneous buy orders on 13 August 2021, so until the trades were reversed, there was a period he was out of the market due to Barclays' wrongdoing.
- Mr M says:
 - On 16 August 2021, he'd purchased four lots of shares, taking his cash balance to £66.73.
 - On 17 August 2021, he didn't realise his cash had increased to £65,053.62, due to Barclays reversing the trades. But he purchased a further two trades valued at approximately £16,000, thus the cash balance reduced to £58,055.57.
 - But for the errors on 13 August 2021, he would've had much more cash available, and he would've purchased *"more shares on the morning of 16*

August 2021 – or more likely when they fell 5%”, and he would’ve sold when the prices recovered on 16 August 2021 or 17 August 2021.

- What Mr M says he would’ve done, isn’t supported by his trading pattern. For example, whilst he says he would’ve sold at profit on 16 August 2021 or 17 August 2021, he also states that he bought £16,000 worth of shares, so his actual trading behavior doesn’t match his claim.
- It’s also unclear why Mr M would’ve purchased additional shares (worth £16,000) on 17 August 2021, if he wasn’t aware that the trades had been reversed – he had cash available to buy shares.
- On 16 August 2021, Mr M used all the cash available to purchase Glencore shares, therefore it’s likely he would’ve bought more if he had the cash. However, his claim that he would’ve sold these for profit is done so with the benefit of hindsight and assumes that he would’ve both bought and sold at the optimal time – there’s no contemporaneous evidence to support this claim. Mr M also refers to what he “probably” would’ve done or was “likely” to have done, which suggests that he had no definitive plan in place.
- Mr M was aware of the reversals – no later than 18 August 2021 – so he was able to do what he wanted from this point onwards. The investigator isn’t persuaded that he lost profits between 13-16 August 2021, especially with a weekend in the middle.
- In terms of distress and inconvenience, Mr M is unhappy with the £400 compensation offered by Barclays. He says he’s significant distress and inconvenience over a long period of time. But much of the impact he refers to is related to and covered by the other complaint that’s been dealt with. Whilst Mr M maintains the cases are inextricably linked, as the duplicate trades contributed to other problems including negative balance showing on his account. However, the two complaints related to entirely separate incidents, and that’s why he’s considered the impact of each separately.
- It’s clear that Mr M was worried about everything that had happened and had concerns about the platform, but that said, £400 compensation for the distress and inconvenience caused is broadly fair and reasonable in the circumstances.

Mr M disagreed with the investigator’s view and asked for an ombudsman’s decision. In summary, he said:

- He can’t say what he would’ve done, had the error not happened because the market changes so rapidly and unexpectedly.
- If he had cash, he would’ve bought when prices were low and sold high but his account being frozen prevented this.
- The investigator is right that the manual sale he (Mr M) made was duplicated by the later reversal of the trades by Barclays. As a result, the unrealised over-selling situation of 13 August 2021 was essentially remedied in November 2021, along with overselling in May 2021.
- In relation to the errors (relating to instructions to sell the shares) the investigator said: *“the customer keeps the profit”*. But in relation to the other complaint, Barclays argued that the profit on the extra shares should form part of the compensation which is inconsistent and unfair.
- The investigator said *“the customer keeps the profit”* that in this case the errors relating to his instructions to sell shares on the extra shares, but in the other case the investigator suggested that his profits should form part of the compensation which is inconsistent.
- It’s not realistic to use an average price throughout the day to calculate what profit could’ve been made.

- Whilst he lost approximately £400 on selling the 4 shares to compensate for Barclays' error, the loss would've been significantly higher, had he not acted when he did, and even a minute later the loss would've doubled.
- The investigator's support of Barclays' proposed redress regarding the trade placed at 16:19 (on 13 August 2021) is misplaced. Barclays' offer to buy back the share is misplaced, an alternative option – that he'd written to Barclays about – was more appropriate.
- The investigator's logic of his trading behavior doesn't reflect reality. The investigator isn't qualified to have an opinion on this.
- His claim that he would've bought on 16 August 2021 is based on hindsight and he may not have sold on 16/17 August. But he would've done what he's done for the last 10 years and sold at a profit. He only wrote what he honestly believed to be the case at the time.
- If this had been an isolated incident, he would've had sympathy. But during the past year Barclays have made so many errors.
- The investigator has simply agreed with Barclays (for both of his complaints) which is extremely disappointing.
- To put thing right he'd like the ombudsman to consider the following:
 - Reverse the four error trades during the quote and deal error, thus providing him with 9,457 additional Glencore shares, at a cost to Barclays.
 - Barclays should also compensate him for the remaining error trades despite his instructions for it to do nothing.

The investigator having considered the additional points wasn't persuaded to change his mind.

As no agreement has been reached the matter has been passed to me for review.

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 agree with the investigator's uphold for much the same reasons. On the face of the evidence, and on balance, I'm satisfied that Barclays made an error on 13 August 2021 by failing to carry out Mr M's instructions which Barclays accepts.

As Barclays has upheld the complaint, the key issue for me to consider is whether (or not) the redress offered by Barclays is fair and reasonable. Having done so, on balance I'm not persuaded that the redress offered by Barclays is fair and reasonable in the circumstances given the impact of the overall error. However, and on balance, I broadly agree with the investigator's proposal.

But before I explain why, I think it's still important for me to recognise the strength of feeling Mr M has about this matter. He's provided very detailed submissions to support the complaint, which I've read and considered carefully. However, I hope 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 under a separate subject heading, it's not what I'm required to do in order to reach a decision in this case. I appreciate this can be frustrating, but it doesn't mean I'm not considering the pertinent points.

My role is to consider the evidence presented by him and the business, and reach what I think is an independent, fair and reasonable decision based on the facts of the case. It's not my role to punish the business (or take away its licence) for any regulatory breaches either, that's the role of the industry regulator the Financial Conduct Authority (the FCA). My role is to decide if Barclays has done anything wrong and where appropriate award redress for any financial losses for which it's responsible and/or compensation for any distress and inconvenience caused.

In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice, but perhaps unlike a court or tribunal I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely than not to have happened.

I'm aware Mr M has questions about why the business acted in the way that it did, but my not seeking to answer these questions doesn't prevent me from reaching a decision in this case.

I don't think there's any dispute that Barclays' system wasn't properly working on 13 August 2021, which prevented Mr M from placing the specific trades that he wanted to. I note the trades repeatedly showed as 'pending', therefore I can't blame him for making multiple requests in the hope that it would go through. Evidently, he was keen to trade at that point.

It seems that the system eventually caught up with itself, but 14 trades out of the 80 attempts had been executed, in other words, many more trades than Mr M had intended had been actioned, consequently reducing his available funds by around £120,000. I note Mr M only intended to place one or two buy orders.

I note Barclays says its priority was to put customers back in the position almost as though the trades never happened. But in this instance, I'm aware that Mr M asked Barclays to sell his shares instead, because he'd hoped to make some profit. Had Barclays successfully done so, the matter would've probably gone no further, but it didn't and instead sent him to another department for it to deal with the matter.

Based on its internal enquiry findings, it seems that Barclays was in a position to sell the shares that Mr M acquired in error, and in my opinion ought reasonably to have done so when instructed by Mr M to do so following the quote and deal outage.

On balance I agree with the investigator that the opportunity was there to get matters sorted but it wasn't done, and instead as a result of other issues including poor communication the matter wasn't dealt with once and for all.

Despite what Barclays says, given the issues that Mr M was experiencing at the time, I'm not surprised that he didn't try to sell the shares himself at that point – I can't fault him for not doing so. Despite what Barclays initially said, it's also likely that owing to the issues he was unlikely to be able to do so online.

Whilst I appreciate what Barclays says about price movement of shares, in the circumstances, and on balance, I agree with the investigator's recommendation for redress. On balance I think the business should pay Mr M redress based on the profit he would've made if he'd sold the 14 original executed orders – based on the average market price from when he first requested the sale at 15:52 until the end of the trading day – with 8% simple interest from 13 August 2021, to the date of payment, because Mr M has been deprived of this money. I'm satisfied that the redress broadly deals with that issue.

I appreciate that Mr M isn't happy with the redress with regards to this, but it isn't possible to know when exactly when the shares would have been sold on the day which is why I think the average price is appropriate. Furthermore, I've assumed that the price didn't drop below the purchase price in this period, as I believe Mr M would obviously not have sold at a loss and I think any such price should be disregarded from the average for that reason. I don't think a provisional decision is necessary in the circumstances.

In due course, I note that when Mr M told Barclays that he would manually sell his own shares, it should've told him that it had reversed the trades, or was in the process of doing so, but failed to do so probably because the chat operator was unaware of the bigger picture.

I note Mr M even sent a text message to the business and checked the position on webchat the day after but was (erroneously) told to go ahead. Once again, I agree with the investigator that this wouldn't have happened had Barclays successfully carried out his original instructions and/or subsequently communicated with him using up to date and correct information.

By way of compensation, I note Barclays offered to pay Mr M £380.53 – the difference between the purchase price and sale price of the shares – which I think is broadly fair and reasonable in the circumstances, because the shares were sold at a loss. I'm aware that Mr M doesn't accept this offer.

I note Barclays also erroneously reversed the (intentional) trade that Mr M placed at 16.19 on 13 August 2021. Despite what Mr M says, I note Barclays offered to buy back these shares at no extra cost, which I think is broadly fair and reasonable even though Mr M disagrees.

Despite what Mr M says about what he would've done, I agree with the investigator that his suggestions aren't supported by his actions in this instance. I note Mr M concedes *"My claim that I would have bought on 16 August and sold at a profit on 16/17 August is of course based on hindsight"*, and that he may not have sold on 16/17 August 2021 – although I note he also says he's done this for the past 10 years, and would've held to sell at a profit. But on balance, whilst I don't question his sincerity and what he'd done in the past, I think it's unlikely he would've done the same (in other words what he says he would've) in this instance with all the issues going on.

I also note I reference to the investigator's observations Mr M refers to what he *"probably"* would've done or was *"likely"* to have done, which suggests that he had no firm trading plan in place. Instead, I think it's more likely than not, what he says he would've done, has been said in hindsight.

In other words, I appreciate what Mr M says about what he would've done in terms of buying and selling shares at the optimal price. But on the face of the evidence, and on balance, I can't safely say he would've without the benefit of hindsight.

On the face of the evidence, and on balance, despite what Mr M says, I can't safely say that the he's lost profits between 13-16 August 2021 (with a weekend in the middle) as suggested by him, or that he simply couldn't do what he wanted to.

I note that on or by 18 August 2021, Barclays confirmed that it had reversed all the trades. Therefore, it's likely that by then, Mr M had all the information he needed to understand which trades had been placed and reversed.

In terms of distress and inconvenience, I appreciate Mr M is unhappy with the £400 offered by the business. But on balance I agree with the investigator that much of the impact he describes relates to the other complaint that I've already considered – but not upheld on the basis that the significant profits and dividend payment that the business is allowing Mr M to keep more than makes up for/offsets any compensation payment for distress and inconvenience.

Overall and on balance I think the £400 compensation offered for the distress and inconvenience – in addition to the other redress – is broadly fair and reasonable in the circumstances and takes into account the pressure, worry, concern and loss of expectation Mr M had suffered primarily by Barclays not doing what it said it would.

I appreciated that the two cases are somewhat linked in that they're about Mr M's investment against the same business but they're also separate cases about two separate matters. Therefore, I don't think the investigator has done anything wrong by separating the complaints and dealing with them as such. On balance, I don't agree that the findings in this case are inconsistent or unfair, as each case has been decided on its own individual merits.

I note that by 18 October 2021, Mr M sold all his holdings to cash. But despite what he says, I think the decision to do so was of his own volition – not based on any advice or guidance from the business – therefore the business isn't responsible for any losses claimed for this particular course of action. I'm mindful that the smart investor platform provides an execution only service.

On balance, I agree with the investigator that Mr M was aware of the reversals no later than 18 August 2021 – the notes from the time make clear that Barclays had reversed all transactions – so he was able to do what he wanted from this point onwards.

I appreciate Mr M will be thoroughly disappointed I've reached the same conclusion as the investigator, and I realise my decision isn't what he wants to hear. Whilst I appreciate his frustration, I'm not going to ask the business to do anything. On the face of the available evidence, and on balance, I'm unable to uphold this complaint and give him what he wants.

Putting things right

By way of redress Barclays Bank UK PLC should do the following:

- Pay Mr M the profit he would've made if he'd sold the 14 original executed shares – based on the average market price from when he first requested the sale at 15:52 on 13 August 2021, until the end of the trading day, with 8% simple interest from 13 August 2021, to the date of payment.
- Pay Mr M £380.53, which is the difference between the purchase price and sale price of the shares purchased on 14 August 2021.
- In relation to the trade Mr M placed at 16:19 on 13 August 2021, buy back the shares at no cost to him.
- Pay Mr M £400 compensation for distress and inconvenience.

My final decision

For the reasons set out above, I uphold this complaint.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 4 April 2023.

Dara Islam
Ombudsman