

The complaint

In summary, Mr M is concerned about the time it took Barclays Bank UK PLC to transfer his cash ISA from another provider, into an ISA that he set up with Barclays in January 2023. He believes that he has lost out financially as a result of delays he believes occurred in the transfer process. He is also concerned that Barclays provided him with incorrect information that a paper transfer form needed to be completed for the transfer to proceed.

What happened

Mr M opened an ISA with Barclays on 14 January 2023. He completed a transfer form on 23 January 2023 authorising his ISA with another provider, to be transferred into the ISA he set up with Barclays.

The transfer form was sent to the other provider on 27 January 2023. It issued a cheque payable to Barclays on 2 February 2023. This was received by Barclays on 23 February.

Unhappy with the time it took for the transfer to be completed, Mr M complained to Barclays. In its response, Barclays explained why it didn't think it had done anything wrong. Mr M's concerns were then looked into by one of our investigators. They explained why they thought the delays in the ISA funds being transferred were caused by Barclays.

In its response, Barclays explained why it didn't think Mr M had lost out financially and why it hadn't done anything wrong. It asked the investigator to reconsider his assessment. The investigator issued a second view. He explained that after considering the further evidence provided by Barclays, he didn't think Mr M had lost out financially as Barclays had provided evidence that interest had been backdated. And he said Barclays hadn't made an error in requesting the transfer in the way it did.

As Mr M disagreed, the case has been passed to me for review. I asked Barclays to provide some information. After I received its responses, I wrote to it and explained why I thought it had delayed the transfer process, and what it needed to do to put things right. I then explained to Mr M what I had proposed to resolve his complaint. In response, in summary he said that he didn't think the award I was intending to make was enough.

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've decided to uphold Mr M's complaint. I'll explain why.

During the course of the investigation, Barclays said that the ISA provider Mr M was transferring from, would only accept a paper transfer application; and that the transfer request came from that provider. However, HMRC guidance in respect of ISA transfers, indicate that a customer such as Mr M, would need to contact the ISA provider they wanted

to move an ISA to, and fill out a form, in order to switch ISA providers. In this case that was Barclays, as Mr M was moving his ISA from another ISA provider to Barclays.

The explanation provided by Barclays was, in my opinion, contradictory to the guidance provided by HMRC. In its e-mail to me of 20 September 2023, it said.

"The method of transfer is used is based on the provider URN. For example in this case, ...(the other ISA provider), we only have the option to create paper based transfers only."

But it also said in a subsequent response to me that the other ISA provider allowed both paper and electronic transfers. And that the transfer into the account hadn't been Barclays' choice to make, as the decision has been made either by Mr M or the other ISA provider. What Barclays said here contradicts the answer that it had previously given and that set out in its file submission to this service. I'm satisfied that Barclays (in line with what it originally said and in accordance with HMRC guidance) generated the ISA transfer request. The transfer form indicates that form was generated by Barclays, not the other ISA provider and that this was done by paper because Barclays decided it should be generated that way.

Barclays' response in its e-mail of 27 September 2023, shows that contrary to what it has previously said, an electronic transfer request would have been possible. And this would in my opinion have led to a quicker transfer than that which actually took place. The ISA transfer process started on 27 January 2023. The account opening date was 14 January 2023. So, I think taking into account the new information provided by Barclays, the transfer request could have been made shortly after Mr M set up the ISA account.

It seems to me that the delay was due to Mr M being told on 18 January 2023, that the transfer had to be completed by paper and him having to sign and return the paper form to Barclays. If an electronic transfer had been requested as Barclays now says could have happened, then I think transfer request could have been made on 18 January 2023, which is that date Mr M was told a paper transfer request needed to be made.

The effective date of the transfer from the other ISA provider was 2 February 2023. It looks like the transfer form was received by Barclays on 27 January 2023 and then sent to the other ISA provider. It doesn't look like it took more than 4 working days to process the transfer request and the cheque was dated 2 February 2023. So, with this actual four-day time frame in mind, I think that if the transfer request had been made to the other ISA provider on 18 January 2023, it's likely that it would have been processed, and a cheque sent by 25 January 2023 at the latest.

Mr M would as I understand the position, continued to receive interest on his ISA whilst it remained with the other ISA provider. Barclays has said that interest would be applied from the date of the cheque sent by the other ISA provider. And Barclays has confirmed and provided evidence that it will backdate interest to the date of the cheque was received. So, in terms of compensation, I think Barclays should pay Mr M the difference in interest between what he received from the other ISA provider and what he would have received from Barclays, for the seven days delay in transferring his ISA.

I also think Mr M has suffered some inconvenience as a result of the delays caused by Barclays. I think in addition to the lost interest, Barclays should also pay Mr M £50 for the inconvenience he's been caused.

I do understand why Mr M doesn't think this award is sufficient to compensate him for what has happened. I've thought carefully about what he's told me. But in deciding what I consider to be an appropriate compensation figure, I have considered the impact on him. Contrary to what he has said, there isn't a standard compensation figure for any inconvenience that is

caused to a complainant such as him. That is a matter for me to decide taking into account what has happened in an individual case and the impact on a complainant.

I acknowledge that Mr M has been put to some inconvenience as a result of having to raise the complaint. But there is always a certain amount of inconvenience in having to raise a complaint with a business and this Service.

In terms of impact, the delay caused by Barclays was as I've explained above, for a short period of time. Mr M has referred to the contradictory information provided by Barclays in this case. And I've explained why I also think that was the case. But I don't have the authority to make any form of punitive award against Barclays. That would be a matter for its regulator to decide if appropriate. I can only consider what has happened in an individual case. I do understand Mr M's concerns, but for the reasons I've explained I think that £50 is an appropriate amount of compensation in respect of the inconvenience caused by Barclays mistakes and the short delay in transferring his ISA.

My final decision

For the reasons I've explained, my decision is to uphold Mr M's complaint about Barclays Bank UK PLC. If Mr M accepts my decision, Barclays Bank UK PLC should pay Mr M compensation as I've 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 16 November 2023.

Simon Dibble
Ombudsman