

The complaint

Mr M has complained about delays he experienced when attempting to transfer cash ISAs from another provider to Barclays Bank UK PLC.

What happened

In January 2023 Mr M elected to move cash ISAs that he held with three other providers, and he says were earning very low interest rates, to Barclays. The transfers from two of the providers were completed successfully. However, the attempted transfer into Barclays from a provider which I will call 'Provider H' did not get completed. Over a six month period, Mr M says that he contacted both Barclays and Provider H on numerous occasions, but he could not get the transfer arranged. He understands that the initial cause of the problem was that Provider H had put a hold on the three accounts that Mr M held with it.

Barclays offered Mr M £150 to reflect the problems he had experienced, and I understand that Provider H also offered him £100. Barclays stated that it had made several transfer requests to Provider H, but the response it received was that the three accounts in question could not be found. As a consequence, Barclays abandoned the transfer request, stating that there was nothing further it could do.

Dissatisfied with Barclays' stance, Mr M brought a complaint to this service. He said that taking into account the amount of time he had spent trying to arrange the transfers, Barclays should compensate him both for lost interest and for inconvenience caused.

Our investigator upheld this complaint. He stated that in the period from January to August 2023, when Mr M decided he was giving up his efforts to arrange the transfer, there was confusion at Barclays about whether the transfer attempt was to be reinstated or abandoned. The investigator considered that Barclays had not kept Mr M updated with the status of the transfer, despite the calls he was making to the bank.

The investigator proposed that Barclays pay Mr M a further £305 compensation. This constituted an additional £100 for the trouble Mr M had been caused, plus £205 lost interest. For the interest calculation, the investigator considered that Barclays should cover a three month period, reflecting that it could have dealt with the transfer more effectively. He applied an interest rate of 2.85% pa (the difference between the Barclays rate of 4.1%, and 1.25% which was being paid on most of Provider H's ISAs), on an amount of £28,500 (which was approximately the total value of Mr M's ISAs with Provider H).

Barclays agreed to the investigator's proposed compensation.

Mr M did not agree with the proposed redress, and asked that this complaint be referred to an ombudsman. He said that he had only just been able to sort out his outstanding ISAs, and he consequently considered that the compensation should be greater than suggested. He reiterated that he had spent many hours on the phone trying to ensure the transfer took place, and he also mentioned his visit to a branch of Provider H.

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.

It is clear that the attempted transfer of the three ISAs from Provider H to Barclays caused Mr M unnecessary difficulties, for what in my view should have been a straightforward process. I need to determine what compensation fairly reflects the problems Mr M encountered.

I acknowledge Mr M's comments regarding the many calls that he made to both Barclays and Provider H when trying to arrange the ISA transfers. I should clarify that because this complaint is against Barclays, I am only able to consider the acts and omissions of Barclays. As a consequence, I have not specifically assessed the role of Provider H in the failed transfers.

That said, as Mr M has explained, a difficulty which was encountered appears to have been the result of the three ISAs with Provider H being on hold. Mr M has provided letters from Provider H relating to this issue, and he has spoken about visiting one of its branches to resolve this particular issue.

Overall, my view is that Barclays is not entirely to blame for the failed ISA transfers. Prior to the complaint being referred to this service, Barclays paid £150 into Mr M's account in July 2023, reflecting distress and inconvenience caused to him. Our investigator proposed that a further £100 under this heading should be paid to Mr M. Taking into account awards made on cases with similar circumstances, and in light of the time that Mr M spent trying to move the transfer forward, I would agree that a further £100 payment from Barclays for unnecessary trouble caused is reasonable.

In terms of Mr M's request for lost interest as a result of his ISAs remaining with Provider H, my view is that it is difficult to determine exactly what length of delay was caused by Barclays as a result of its handling of the transfer. On balance, I consider it reasonable to require Barclays to pay compensation to reflect reduced interest over a three month period resulting from the transfer not taking place.

The investigator compared the rate of interest available in the Barclays' ISA compared to that which Mr M was receiving for most of his funds which remained with Provider H. He proposed that Barclays should pay Mr M £205 as a compensation amount to reflect lost interest, and I have included more details of the methodology he used above. Overall, taking into account the evidence forwarded in this case, my view is that this represents a fair redress amount in this respect.

Whilst I appreciate that Mr M may be disappointed with my findings, my conclusion is that the total proposed compensation amount of £305 is reasonable.

My final decision

My final decision is that I require Barclays Bank UK PLC to pay Mr M a further compensation amount of £305, reflecting lost interest, and distress and inconvenience caused to him.

I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2024.

John Swain
Ombudsman