

The complaint

Mr D complains about delays by Barclays Bank UK PLC when releasing funds from a dormant ISA account.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr D had an ISA account with Barclays with around £5,000 saved. In September 2021 Barclays wrote to Mr D and advised it would close his account due to a lack of activity if he didn't make contact. As no contact from Mr D was received the account was closed by Barclays in December 2021.

In November 2022 Mr D visited a branch and asked about his ISA account. Mr D was advised it had been made dormant and that provided identification that was certified by branch staff. Mr D's explained that branch staff advised it would contact the dormant accounts team to arrange a transfer to his mortgage current account and that the process would take around 12 weeks.

Mr D didn't hear back from Barclays or receive his funds, so in February 2023 he complained. Mr D had to resubmit documents to be verify his identity in branch. Barclays paid Mr D £248 to cover his costs for branch visits and service provided.

In April 2023 Mr D raised a new complaint when his funds still hadn't been received. Barclays issued a follow up final response on 13 June 2023 and gave some background surrounding why it makes accounts dormant. Barclays confirmed Mr D had submitted documents to allow it to release his funds and said it could take up to 12 weeks to process. Barclays paid Mr D a further £160 for his costs and the inconvenience caused.

Mr D referred his complaint to this service and it was passed to an investigator. During the investigation, Barclays explained there had been a further delay in processing the transfer of funds to Mr D's mortgage current account. But the transfer was ultimately made as exception and funds paid to Mr D. Barclays agreed to offer a further £100 for the distress and inconvenience caused, taking the total settlement offered to £508.

Mr D asked to appeal and explained he'd intended to use the funds from his ISA to pay for building work. But because of Barclays' delays in releasing the funds, the quotation for the works required had increased by £350. Mr D didn't agree the compensation offered was fair so his complaint has been passed to me to make a decision.

What I've provisionally 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 can understand why Mr D is frustrated at the way his ISA account has been handled. I accept Mr D visited the branch back in November 2022 but it took until the summer of 2023 for his funds to be paid. In my view, Mr D should reasonably have expected Barclays to act on his instructions without undue delay, even accepting his ISA had been made dormant. Mr D had to visit the branch more than once and there appear to have been reasonably long periods with no word from Barclays. I'm pleased the issue has now been resolved with the funds being paid to Mr D. I now need to decide how to fairly resolve Mr D's case.

Barclays paid Mr D £248 in March 2023 and £160 in June 2023 when responding to his complaint. During the investigation, Barclays agreed to pay a further £100, taking the total award to £508 for the distress and inconvenience caused. I've considered everything Mr D's told us about how the situation impacted him and the level of inconvenience caused. But I'm satisfied that £508 fairly reflects the level of trouble and upset Mr D experienced.

Whilst I'm satisfied the compensation offered for the distress and inconvenience caused to Mr D is fair, I'm not persuaded it goes far enough as he also appears to have experienced a loss due to the delays. Mr D's forwarded a quote from contractors for work at his home that was booked to take place in May 2023. Mr D's explained he had to delay the works and rebook for 2024. But due to price increases generally, the quote for the same work has increased by £350. I accept Mr D had work booked that was dependent on receiving the funds from his ISA account. And I'm satisfied delays by Barclays meant that couldn't take place in May 2023 as planned. I also accept that prices have raised substantially during the delay which has impacted the price Mr D will now have to pay. So I think the fairest approach is for Barclays to pay Mr D a further £350 to take into account the increased costs for carrying out the same work.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr D responded to confirm he was willing to accept. Barclays responded to say it was willing to cover the increased costs Mr D will incur.

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.

As both parties have confirmed they're willing to proceed and no new information has been provided I see no reason to change the conclusions I reached in my provisional decision. I still think Mr D's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr D's complaint and direct Barclays Bank UK PLC to settle as follows:

- Pay Mr D a total of £508 for the distress and inconvenience caused (less any compensation already paid)
- Pay Mr D £350 in respect of the increased costs for building work

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 January 2023.

Marco Manente
Ombudsman