

## **The complaint**

Mrs H as personal representative on behalf of the estate of the late Mr H, complains that Barclays Bank UK PLC ("Barclays") failed to transfer capital from the late Mr H's ISA to an alternative ISA as instructed resulting in the loss of tax advantages for the beneficiary.

## **What happened**

Mr H held an ISA and one other account with Barclays. Mr H died in November 2021 Mrs H (Mr H's surviving spouse) notified Barclays of Mr H's death.

Barclays wrote to Mrs H on 6 December 2021 and within its letter explained that a surviving spouse can use the ISA allowance built up by their spouse. To do this they would apply for an additional permitted subscription ("APS") allowance. The allowance would be the value of Mr H's ISA at the date of his death or if the ISA is subsequently closed the value on the date it was closed. The value of Mr H's ISA at the date of his death was £101,020.33.

Barclays explains that if Mrs H would like to use this allowance, she could do so by visiting one of its branches with certain identity documents and it would help her apply for a new ISA with it or another provider. Barclays also enclosed a closure form for Mr H's accounts which asks for details of where funds are to be released and instructs to "please return to; Barclays Bereavement Team...".

Mrs H attended one of Barclays branches with the requisite identity documents and completed a closure form providing her account details for where funds were to be released.

A few months later on 6 April Mrs H wrote to Barclays Bereavement Service Centre enclosing Letters of Administration confirming her authority to deal with Mr H's estate. Mrs H confirms that Mr H's ISA is being transferred to her stockbrokers to be added to her ISA in accordance with the rules and asks whether they should contact the Bereavement Service Centre to make the appropriate arrangements or "some other area of Barclays". Mrs H also instructs Barclays to transfer the balance of the other account to the former joint account held.

On 8 April Mrs H sends a further letter enclosing the completed APS application form provided by her stockbrokers instructing Barclays to transfer the late Mr H's ISA to her new ISA held with them. Within the letter Mrs H says "I trust the form has been completely correctly & will be sent direct to my Stockbrokers. Should you need to send this to another office for completion, please do so."

Barclays responds to Mrs H on 25 April saying that the funds from the account Mrs H requested to be closed would be sent to the account listed on the completed closure form and that if the ISA is being transferred to her under the APS this would fall under a Customer Service process and to contact them directly to assist with her query.

Mrs H responded to Barclays on 20 June explaining that she didn't understand what its letter meant and asked Barclays again to clarify who she should contact.

Following this Barclays Bereavement team wrote to Mrs H on 20 July confirming it had closed Mr H's accounts including the ISA and paid the proceeds into the account nominated on its closure form by Mrs H.

Mrs H complained to Barclays that it failed to follow her instructions.

Barclays didn't uphold the complaint. It believes it provided the correct guidance on how to transfer the funds to an ISA account and have been unable to identify a bank error. It says as the ISA where Mrs H requested it to transfer the funds to wasn't held with Barclays that it needed the financial institute that holds the ISA to contact it to arrange the transfer. As it didn't hear from Mrs H or her ISA provider it followed its account closure process and Mr H's estate funds were paid into one of Mrs H's accounts as advised in the bereavement form signed by Mrs H.

One of our investigators looked into Mrs H's concerns and reached the conclusion that Barclays had made an error in not passing on the completed APS form to the appropriate department or properly informing Mrs H of the correct process to follow. They thought to resolve the issue Barclays should put Mr H's estate in the place it would be in had the application been processed correctly and pay £200 compensation for the trouble and upset caused.

Barclays disagreed, it says Mrs H sent the APS form to the wrong department and that it had told Mrs H in its letter it needed to be sent to its customer service team. Barclays says it's bereavement team wouldn't have returned the APS form as part of its processes and that it is an inbound processing department only and wouldn't return any documents that were received unless a call was made to it. Barclays have asked for an ombudsman's decision.

I issued my provisional decision on 9 November 2023. In my provisional decision, I explained why I was proposing uphold the estate of Mr H's complaint but my direction for redress was different from that of our investigators. I invited both parties to let me have any further submissions before I reached a final decision. Both parties confirm they have received my provisional decision and while Barclays accepts my decision, Mrs H on behalf of Mr H's estate does not. Mrs H hasn't offered any new evidence that hasn't already been considered but says technically the complaint was raised in her name and that I only condensed the complaint to Mr H's estate and that her complaint also needs to be considered.

### **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.

In my provisional decision I said that:

*"I hope that Mrs H won't take it as a discourtesy that I've condensed this complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of the complaint is that Barclays failed to carry out instructions to transfer the late Mr H's ISA to a new ISA provider resulting in Mrs H losing the tax advantages that would have come had Barclays followed her instructions.*

*And having considered everything, I'm currently minded to uphold this complaint for the following reasons.*

*Although I think Barclays made Mrs H aware that she could use the late Mr H's ISA*

allowance and may have followed its processes correctly in dealing with the closure of Mr H's accounts. I think it failed to provide Mrs H with the level of service needed to deal with Mr H's ISA in the way she wished and informed Barclays of.

My understanding is that in order for Mrs H to utilise Mr H's ISA allowance the following needed to happen:

1. Mrs H needed to open an ISA with a provider;
2. Mrs H needed to complete an APS form;
3. Mrs H's ISA provider would then contact Barclays who would send the funds (in this case the proceeds of Mr H's ISA) to the provider and the transaction would be complete.

I accept that Barclays did inform Mrs H in its letter dated 25 April that transferring the ISA fell under a customer service process and she needed to contact it to transfer the ISA. But by this point Mrs H had already completed steps one and two and I think made it clear what her intentions were and had asked Barclays for clarification who to send the form to, as well as instructing it to forward the form on her behalf to the correct office for completion.

Barclays say that its bereavement team is an inbound processing department only and don't return forms as part of its processes. This well may be the case, but I can't see that Mrs H was ever made aware of this and I fail to see why it wasn't possible for Barclays to forward the form as instructed in Mrs H's letter of 8 April to the appropriate department or explain to Mrs H that it wasn't able to do this. I can also see that Mrs H responded to Barclays letter of 25 April on 20 June saying that she didn't understand what its letter meant and asked Barclays again to clarify who she should contact – yet I can't see that Barclays ever responded.

But I think the real failing on Barclays behalf is that when it didn't hear further from Mrs H - despite Mrs H making it clear of her wish to transfer the proceeds of Mr H's ISA and allowance to her ISA provider (her stockbrokers) - it went ahead and closed the ISA and paid the proceeds to the account nominated on its closure form going against Mrs H instructions and without giving her the opportunity to put in place the actions she needed to take to ensure she received the benefit of the additional allowance.

If Barclays had simply checked with Mrs H where she wished the funds to go to before it paid out the ISA, I think this error could have been avoided and the correct process followed for transferring the late Mr H's ISA to the new provider. As a result of this error Mrs H has potentially lost out on receiving the tax advantages that would've come with receiving Mr H's ISA allowance and if that becomes the case that is most unfortunate.

Usually, if I make a finding that a business has done something wrong or treated a customer unfairly I'd ask it to put the customer – in this case the estate of Mr H – in the position it would be in if the mistake hadn't happened. In this case I can't see that Mr H's estate has lost out financially because of Barclays failings – Mrs H has. Indeed, Mr H's estate is in the same place it would've been in had the ISA been transferred to another provider. I appreciate Mrs H is a beneficiary of Mr H's estate and the recipient of the proceeds of Mr H's ISA and that she has potentially lost out in receiving a tax benefit. But Mrs H isn't the eligible complainant here. The customer who held the ISA in question with Barclays is Mr H's estate.

So that being the case – and I know this will be disappointing for Mrs H - I don't think there is anything more for Barclays to do here as there hasn't been any loss to Mr H's estate. Though I am mindful of the fact that Barclays bereavement team's failure to provide an

*adequate service has caused some administrative inconvenience and so for that I currently think Barclays should pay the estate of Mr H £150.”*

Mrs H says that I have condensed this complaint to only look at Mr H's estate complaint and that her complaint also needs to be looked at. And Mrs H is correct – I have only looked at the estate of Mr H's complaint. As explained in my provisional decision Mr H's estate is the eligible complainant and Mrs H merely brought the complaint on behalf of the estate as personal representative. If Mrs H wishes to raise a complaint herself separately with Barclays – she is of course free to do so – but the remit of my decision is restricted to the estate of Mr H's estate.

So it follows as neither party has provided any further new evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

### **My final decision**

For the reasons I've explained, I uphold the estate of Mr H's complaint and direct Barclays Bank UK PLC pay the estate £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 26 December 2023.

Caroline Davies  
**Ombudsman**