

The complaint

Mr G complains that the Individual Savings Account (ISA) transfer that Barclays Bank UK ('Barclays') administered took too long. He would like compensation for this.

What happened

Mr G opened a Barclays cash ISA on 6 January 2023. He requested that Barclays transfer the funds he had in his Barclays stocks and shares ISA, to this new cash ISA, on the same date.

Mr G complained in March 2023 as the ISA transfer had not completed. He said he was told the transfer should take around 30 days, but it had taken far longer than this.

Barclays transferred £272 on 20 May 2023 and informed Mr G that the transfer was complete. However, this wasn't correct as Barclays had transferred the wrong amount. Barclays had omitted some digits from the plans value when it processed the transfer. This transfer completed in full on 1 June 2023 and the new ISA was credited with £271,728.

Barclays has upheld this complaint. It has agreed that the transfer had taken longer than it should have done and said this was due to unprecedented demand. It has already paid £200 compensation for the distress and inconvenience this caused Mr G.

And after the complaint was brought to this Service, Barclays let us know that it had backdated the transfer to the 4 February 2023 which is 30 days from when it should have been completed. It has added interest to the new ISA from this date to the date of transfer.

One of our Investigators has considered this complaint and agreed that Barclays should have processed the transfer in a timelier manner. But she said that the compensation for the stress and inconvenience Mr G suffered that Barclays had already paid was fair. And by backdating the interest Mr G has not lost out financially. So, she didn't think that Barclays needed to do anything further to resolve this complaint.

Mr G doesn't agree. He thinks that £200 is only seven days interest and it took over five months for the transfer to complete. This caused him a great deal of stress. Mr G later said that he would like (total) compensation of £350 credited to his account.

Barclays didn't agree to pay this further compensation and our Investigator didn't change their opinion. As no agreement has been reached, the complaint has been passed to me to issue a final decision.

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's been agreed that this transfer took too long. So, I don't need to consider if Barclays did anything wrong here as it clearly did. I'll therefore concentrate on what I think is fair and reasonable compensation to put things right.

Firstly, Barclays has now added interest to Mr G's new ISA from the date that the transfer should have completed up to the date that it actually did complete. The ISA that Mr G transferred from had liquidated the investments and didn't provide a return over the period of delay. So, I think adding interest is right, and adequately compensates Mr G for any financial loss he may have suffered due the delay.

Mr G thinks that Barclays should pay more compensation for the stress that this delay caused him. This is because he says £200 only represents a short period of the interest he would have earned.

But Mr G has already been compensated for any return he has lost out on due to the delay. And when making an award for this type of administrative issue, and any distress or inconvenience it may have caused, I must bear in mind that things do go wrong from time to time. And whilst frustrating, it is something we all need to occasionally deal with. So, any award needs to be based on any stress or frustrations caused by a Barclays' mistakes that are in addition to what Mr G should ordinarily expect.

Given all of this, whilst the delay was clearly frustrating for him, and took place over a longer period of time, Barclays has tried to put this right relatively quickly. So, I think the £200 it has paid is fair compensation.

Putting things right

Barclays should backdate the interest on the transfer, so it accrues from 4 February 2023. Barclays should also pay £200 compensation for the distress it caused Mr G.

I understand these have already been paid to Mr G. If this is the case Barclays does not have to pay them again.

My final decision

For the reasons I've explained, I uphold Mr G's complaint.

Barclays Bank UK PLC should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 March 2024.

Andy Burlinson
Ombudsman