

## **The complaint**

Mr C complains that Barclays Bank UK PLC quoted him the wrong early closure charge when he asked about transferring his ISA to a different account with a higher rate of interest.

## **What happened**

Mr C took out a two year cash ISA with Barclays at 4.5%. Mr C later found out that Barclays was offering a new ISA at 5.5%. Mr C knew his ISA carried an early closure charge. After asking Barclays for details of this charge, it mistakenly told him the charge would be around £157.

When Mr C later found out that the early closure charge would be more than £2,000, he decided not to go ahead with the transfer. Mr C is unhappy that he has lost out on the opportunity to earn about £1,800 of interest at the higher rate.

Barclays upheld Mr C's complaint that it had given him incorrect information and offered £50 compensation. But Barclays would not reduce the charge or honour the incorrectly quoted closure charge.

Our investigator agreed that Barclays made a mistake but thought it had already offered enough to put things right. Our investigator didn't think the incorrect information had caused a loss to Mr C, as the early closure charge of around £2,007 would always have been payable in line with the terms of the ISA. So, at some point, Mr C would have had to decide whether to pay the fee or leave the funds where they were.

Our investigator agreed that Mr C had suffered a loss of expectation due to receiving the incorrect information from Barclays. But our investigator thought Barclays offer to pay £50 compensation fairly recognised the disappointment caused to Mr C.

Mr C disagrees with the outcome. He says Barclays confirmed to him in writing that the charge would be £157. Mr C wants Barclays to honour the first advice he was given about the charge as the higher charge made the transaction financially unviable.

Our investigator went back to Mr C to explain his thinking in more detail but Mr C still disagrees with the outcome so the complaint has come to me to make 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.

First, I am aware I have set out the background to this complaint in less detail than the parties and I have done so using my own words. No discourtesy is intended by this. Instead I have focussed on what I think are the key issues. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Barclays accepts that it gave Mr C the wrong early closure figure. So, my decision focusses on whether Barclays should do more than it has already offered to put things right for Mr C. I

appreciate that it will disappoint Mr C but having considered everything, I agree with our investigator that Barclays has already done enough.

The terms of Mr C's two year ISA say that if a customer closes the account or transfers out the whole balance before the maturity date, Barclays will apply a charge equivalent to 180 days tax-free interest based on the current balance at the time.

Barclays's terms also say that if not enough interest has been earned, the charge will be taken from funds in the account which may mean the customer receives less than they deposited. As Mr C held around £90,000 in his two year ISA, the correct early closure charge was significantly higher than the figure Barclays quoted to him.

I don't find that the terms of Mr C's ISA were varied by the incorrect information Barclays gave about the charge. And I don't consider Barclays should be required to honour the incorrect charge.

This is not a case, for example, where Mr C went on to complete the transfer based on the incorrect information without first seeing the correct charge displayed. If that had happened, it seems likely Barclays would have put Mr C back in the position he would have been had the mistake not happened. Luckily, Mr C noticed the charge was significantly higher than he'd first been told by Barclays, so he didn't incur the charge and has not been left out of pocket.

By his own admission, if Barclays had given Mr C the correct information when he enquired about the charge, he would not have gone ahead with the transfer as it would not have been financially viable. So, Mr C would have been in the same financial position that he is now.

I can understand Mr C is disappointed that he wasn't able to transfer to the higher rate ISA with an early closure charge of £157 but in my view this is a loss of expectation rather than a financial loss. For this loss of expectation, I agree that Barclays offer to pay £50 is fair.

### **My final decision**

I think Barclays Bank UK PLC has made an offer which I think is reasonable. So, my final decision is that, if it has not already done so, Barclays Bank UK PLC should pay Mr C £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 March 2024.

Gemma Bowen  
**Ombudsman**