

The complaint

Mr D complains about how Barclays Bank UK PLC dealt with an Individual Savings Account (ISA) transfer.

What happened

Mr D opened a Barclays ISA in early 2023 and attempted to transfer his existing ISA to it. He says there were a number of problems and delays which meant he made between five and six visits to a branch and made a number of telephone calls to it. Mr D was concerned about where his money had gone. He would like compensation for what took place and interest to be backdated to the appropriate date.

Barclays accepts there were problems opening the account and agrees it took too long to sort matters out. It has apologised and offered £350 compensation. It also says it will backdate the interest which amounts to £143.91 to 31 March 2023 which is within the 30 day time period from when the account was opened on 28 February 2023.

Mr D had brought his complaint to us, and our investigator thought Barclays offer appropriate. The investigator thought the new account had been opened on 9 March 2023 and so the interest payment took account of the 30 day period Barclays said it would open an account.

Mr D doesn't accept that view and in summary says Barclays received his money on 16 March 2023 and says he opened the account on 9 February 2023. He says he didn't ask for the original account to be closed.

I asked Barclays further questions, and it says it needed to close the original account when Mr D asked for interest to be paid yearly rather than monthly but it says it doesn't have evidence of telling Mr D that.

My provisional decision

I issued a provisional decision about this complaint and said I came to the provisional view that Barclays ought to backdate the interest to an earlier date for the reasons I would explain. I also made clear that I didn't think it clear when the new account was opened and could see different dates had been provided.

I said there was no dispute here that Barclays took too long to open the ISA and that it didn't deal appropriately with the transfer. I had no doubt Mr D was caused distress and inconvenience and accepted he would have been concerned about the location of his money which was a significant amount. I accepted the problems took some time to sort out, but I was satisfied Barclays had fairly apologised and offered what I thought was a fair and reasonable total compensation offer of £350. I could see Mr D accepted that offer and so I said I didn't intend to say anything further about that offer.

The key issue for me to decide was the interest award. I looked carefully at Barclays records and the information Mr D provided. I appreciated Mr D asked for the interest payment to be

amended from monthly to yearly. I said I would not reasonably have expected Mr D to have realised that would result in a new account having to be opened and thought it likely he would not have decided to proceed with that option if told. And I could see Barclays accepted it didn't have a record of Mr D being told that a new account would have to be opened.

I could see that Barclays received the money from Mr D's existing ISA provider on 16 March 2023 and the account was initially opened in early February 2023. I was satisfied in those circumstances that the fairest approach would be for Barclays to pay and backdate interest to 16 March 2023 rather than 31 March 2023. I said that as I didn't think there was any evidence Barclays told Mr D that it needed to open a new account for him when the interest frequency issue was raised. That time period takes into account the 30 days Barclays says it has to open a new account from about 9 February 2023.

I said I hope Barclays can calculate the interest amount and I hoped both parties could confirm the taxation position as this was an ISA, which may not require any deductions or certificate to be issued in the usual way when an interest award is made.

Both sides have replied to my provisional decision and say they agree with it.

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.

Having done so I have come to the same overall view that I reached in my provisional decision and for the same reasons.

Putting things right

Barclays should pay the interest on the account from 16 March 2023 and pay the £350 compensation as it agreed. I don't consider there is any need for a taxation certificate in these circumstances.

My final decision

My final decision is that I uphold this complaint and order Barclays Bank UK PLC to pay Mr D £350 compensation and backdate, as well as pay interest on his ISA account balance from 16 March 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 February 2024.

David Singh
Ombudsman