DRN-4549127

Financial Ombudsman Service

The complaint

Mr and Mrs B have complained about the lack of advice, management and poor administration of their investment portfolio they held with Barclays Bank UK PLC ('Barclays'). To put the matter right they want the advisory fees returned to them and say they have been caused unnecessary stress.

What happened

Mr and Mrs B held discretionary, advisory and execution only portfolios with Barclays. On 30 November 2021 their designated wealth manager resigned and a new one wasn't appointed until June 2022. During this time, they say were left without advice and their portfolios weren't being managed. They decided to transfer their portfolios to a new financial adviser, but the transfer was significantly delayed.

Mr and Mrs B raised their concerns with Barclays in January 2023. In its response of 15 February 2023 it said;

- Exceptional circumstances meant there was a delay in a new wealth manager being appointed to their account. However, Mr and Mrs B still had full access to the Wealth business and were supported during this time with requests and advice. Its regulatory requirement for the annual review had been met and the discretionary management of their portfolio continued – the advice, management and custody of their assets in the provision of its discretionary service was unbroken. And for their advisory holdings Barclays would have made contact if its view on those holdings had changed.
- During the period of the transfer to Mr and Mrs B's new financial adviser it had experienced exceptional demand which had led to an increase in the transfer time from 37 days to six months. While there were no regulatory timescales for this it offered £200 for the inconvenience. In the meantime, it said it could have taken action on the portfolio during the transfer period if requested.
- Once the transfer request had been made the advice fee on the account was stopped. The overcharged advice fee of £256.25 was later refunded.

After further correspondence from Mr and Mrs B, Barclays responded again on 23 June 2023;

- It apologised for the delay in responding and paid Mr and Mrs B £100.
- Mr and Mrs B's investments were reviewed and deemed suitable in October 2021. Just because Mr and Mrs B didn't take any new recommendations between then and when their portfolio was transferred didn't mean the charges made were incorrect so it wouldn't be refunding any fees.
- It hadn't failed to offer advice about the maturity proceeds from the Structured Note which matured on 14 March 2022. A wealth manager did get in touch, but Mr and Mrs B preferred a face-to-face meeting. They were later contacted by another wealth manager in June, but Mr and Mrs B decided to transfer their assets to a new

financial adviser.

Mr and Mrs B disagreed with the outcome and brought their complaint to the Financial Ombudsman Service. Our investigator who considered the complaint didn't think Barclays needed to do anything more;

- It was accepted that Barclays took longer than it wanted in appointing a new wealth manager. But Mr and Mrs B were supported during this time and Barclays continued to work uninterrupted in the background
- The annual review took place in October 2021 rather than December, so Mr and Mrs B hadn't missed out because of their wealth manager's resignation.
- Mr and Mrs B were given advice about reinvesting the proceeds from the maturing Structured Note despite the absence of a wealth manager. So, he couldn't hold Barclays responsible if the proceeds remained uninvested.
- Barclays had continued to provide a service to Mr and Mrs B pending the appointment of a new wealth manager so it wouldn't be reasonable to refund the fees charged.
- Barclays had acknowledged there were shortfalls when transferring Mr and Mrs B's portfolio to the new financial adviser because of a backlog and it had offered £200 in compensation. The investigator wasn't persuaded Mr and Mrs B were going to sell their portfolio when they transferred to their new investment adviser, but Barclays' communication could have been better, so he thought £200 was a fair offer. And Barclays had offered to refund an advisory fee of £256.25 that was charged in error.
- Barclays had also offered £100 for the delay in responding to Mr and Mrs B's concerns which the investigator thought was fair.

After Mr and Mrs B raised further points, the investigator referred back to Barclays and issued an additional opinion;

- In the absence of a designated wealth manager, the investigator was satisfied that Mr and Mrs B were supported by a suitably qualified person. He remained of the opinion that Mr and Mrs B were contacted within a reasonable time about the potential to reinvest the maturity proceeds of the Structured Note. And the new wealth manager also got in touch within a reasonable time.
- Barclays was arranging for the reimbursement of custody and advice fees of £936.47 that were still on the account.
- He acknowledged there was a delay in transferring Mr and Mrs B's portfolio to their new financial adviser but didn't think that warranted a refund of the custody fees.

Mr and Mrs B didn't agree with the outcome. Our investigator addressed the additional points they made but as resolution couldn't be reached, the complaint has been passed to me to decide in my role as ombudsman.

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.

After doing so, I've reached the same conclusions as the investigator and broadly for the same reasons. I'll explain why.

<u>The wealth manager</u>

I’ve looked at the timeline of events provided by both parties in my consideration of this complaint.

- 30 November 2021 – Mr and Mrs B’s wealth manager resigned, and I understand that despite working a three month notice period he couldn’t speak with clients.
- 25 March 2022 – Mr and Mrs B were called by their wealth manager executive about the Structured Note proceeds of £114,000 that had matured as a temporary wealth manager was to look after their portfolio and could discuss the potential reinvestment with them. I understand that Mr and Mrs B were going away on holiday for a week so asked to be called during the week of 4 April to discuss their options.
- 13 April 2022 – The temporary wealth manager called Mr B which was later than promised. The phone notes confirmed Mr B expressed an interest in wanting to consider a further Structured Note but was concerned about discussing his investments over the phone, however Mr and Mrs B didn’t have the facility to hold a virtual meeting. Mr B was used to his wealth manager holding face to face meetings and wanted to keep it that way, so no investment decision was made at that time. Details about potential new Structured Notes were emailed to Mr and Mrs B confirming that a face-to-face meeting was to be arranged.
- 29 June 2022 – Mr and Mrs B were written to and given details of their new permanent wealth manager that had been appointed.
- 13 July 2022 – The new wealth manager had tried to call Mr and Mrs B but received a message that the phone line was switched off, so he wrote to them asking for a good time to call them or for an alternative number.
- 18 July 2022 – The wealth manager was able to make contact by phone but Mr and Mrs B were travelling that weekend so it was arranged they would meet in August prior to the next annual review.
- 30 August 2022 – The wealth manager wrote to Mr and Mrs B as he had tried to make contact by phone the previous week but wasn’t able to speak with them. He offered dates in September and October for when he could go and meet them.
- 8 September 2022 – Mr B was called to arrange a meeting but was away during the suggested week and would be back at the end of October. A meeting date of 4 November was agreed. The call note says ‘I asked if anything particular [Mr B] needed us to cover as part of his review. He said no, he just wants to get to know [the new wealth manager] and make sure portfolio running as it should.’
  Mr and Mrs B cancelled the meeting
- 16 October 2022 – Further to an earlier call Mr and Mrs B wrote to confirm they were moving their portfolio to a new adviser.

Barclays has said that in the normal course of events it would look to appoint a new wealth manager as soon as someone left their role but the circumstances in this case meant that it had to move several clients to new teams which meant it took longer than usual to assign a new wealth manager to Mr and Mrs B. I accept what Barclays has said but also appreciate this must have been unnerving for Mr and Mrs B. It would appear they had a good relationship with their wealth manager and no doubt it was disconcerting when he resigned, and they weren’t immediately provided with a new manager.

However, I note that during this time Mr and Mrs B were supported by their wealth manager executive who in particular called them about the proceeds from the matured Structured Note in order to arrange discussion with the temporary wealth manager about the potential reinvestment. And I also accept Barclays’ argument that Mr and Mrs B still had full access to the services they were used to, and any urgent requirements could have been escalated for attention as necessary.

Mr and Mrs B have said that after the call with the temporary wealth manager on 13 April 2022 they were told that information about a future investment was to be sent to them. But nothing was received, and no date was made for a follow up call. However, Barclays has provided us with a copy of an email sent to Mr and Mrs B after the call which said options were being looked into for someone to visit them and attached was a list of the current range of Structure Notes, plus accompanying fact sheets and that the new wealth manager would provide advice. I've also seen the call note and a request was made internally for Mr and Mrs B to be visited.

Mr and Mrs B said the email address used was out of date and had been changed in 2016 however Barclays have said this was the email address they were provided with at the outset and hadn't seen any request for it to be changed. This being the case, I don't think Barclays was wrong to use the email address it had on its records, but I do accept that Mr and Mrs B were expecting to receive the requested information by post rather than email. But equally, when it wasn't received, I would have expected Mr and Mrs B to have made contact with Barclays to chase for that information.

While I appreciate that Mr and Mrs B were used to, and preferred face to face meetings, this didn't prove possible in the short term under the circumstances, but nevertheless, Barclays did provide the offer of advice via the temporary wealth manager about the potential reinvestment for the proceeds of the matured Structured Note. So, I do think Barclays did provide a service during this time, albeit not in the format that Mr and Mrs B had previously received and preferred. If the reinvestment of the Structured Noes proceeds was crucial at that time, then Mr and Mrs B did have the opportunity to act but they chose not to.

<u>The transfer request</u>

Barclays has told us that its normal transfer timescale was 37 days but at the time of Mr and Mrs B's transfer at the end of 2022 and beginning of 2023 this was extended to six months because of what Barclays has said were exceptional circumstances as a result of an unprecedented number of transfer requests. This impacted on in specie transfers such as Mr and Mrs B's. It said it redirected staff from other departments and new staff were taken on and trained to increase capacity to reduce the backlog. The transfer completed at the end of March 2023.

I appreciate the delay must have been frustrating for Mr and Mrs B. They had appointed a new financial adviser who I see contacted Barclays on 11 and 12 October 2022 in order to initiate the transfer, but it didn't complete until six months later. While this must have inconvenienced Mr and Mrs B and clearly wasn't ideal, I can't see they have lost out financially. I'll explain why.

I see from the meeting notes of the October 2021 annual review that there were no material changes in Mr and Mrs B's circumstances and the suitability of the investments, investment objectives and risk profile was discussed and reconfirmed, and no changes were recommended. This suggests that Mr and Mrs B were happy with their investments at that time. And while this could have changed, I haven't been given anything to suggest that Mr and Mrs B wanted to carry out transactions during the time they didn't have a dedicated wealth manager. Barclays said that it could have carried out any transactions that Mr and Mrs B or their new adviser requested but from what I've seen, I don't think Mr and Mrs B formed a firm intention to carry out any particular transactions on their account during the period of Barclay's delay.

Mr and Mrs B decided to transfer their portfolio elsewhere because of the poor communication after their wealth manager resigned, so the reason for the transfer was not about poor performance or concerns over their investments so, I do not think it would be fair or reasonable to award any financial compensation for them not being able to carry out particular trades. I appreciate they might have considered their options earlier if the transfer had competed earlier. But I haven't enough to conclude that more likely than not the result would have been trades or changes to their holdings of a kind from which they would most likely have profited.

The transfer was an in-specie transfer, so Mr and Mrs B remained invested during this time so didn't lose out by being out of the stock market. However, Barclays did recognise that communication about the change in the transfer time should have been communicated sooner with Mr and Mrs B and they had been inconvenienced by this for which it apologised and paid them £200. I think that is a fair offer under the circumstances of the complaint and is in line with what this service would award under similar circumstances.

During this time, it said it did provide a reasonable service to Mr and Mrs B until their decision to move away but did agree that it had overcharged them £256.25 in advisory fees after the transfer request was given so it offered to refund the sum which I understand has since been paid into Mr and Mrs B.

I also note see that further to the investigator's opinion Mr and Mrs B found that £936.47 being reversed fees wasn't repaid to them and remained in their adviser portfolio account. This has since be transferred to their savings account.

<u>The continued management of the portfolio and fees</u>

I can see that a review of Mr and Mrs B's portfolio took place, and their wealth manager wrote with his 'summary of your annual investment review findings' on 13 October 2021. So even though the December 2021 annual review was cancelled, I'm satisfied that Barclays' obligation to carry out an annual reviewed was met.

Barclays' fees were split between the advisory fees and custody fees. Once Mr and Mrs B instructed the transfer out of the portfolio the advisory element of the fees was stopped. The advisory fees charges for the period 1 October 2022 and December 2022 were reversed. But advisory fees of £256.25 were incorrectly charged on 21 April 2023 for the period 1 January 2023 to 31 January 2023 however, as previously mentioned, these have subsequently been repaid.

After the transfer out request had been given the custody fees continued being charged. I don't find that to be unreasonable as Barclays still administered the shareholdings such as dividend payments and the maturity of the Structured Note as examples, so it provided a custody service for which I'm satisfied it fairly received payment. And while I don't know the arrangement Mr and Mrs B were going to have with their new financial adviser, I think it's likely that custody fees would have been charged by the new financial adviser if the transfer had completed more quickly.

Taking all of the above into consideration, I don't think that Barclays needs to do anything more. It's repaid the advisory fees plus £200 for the delay in the transfer of the investments and £100 for the delay in responding to Mr and Mrs B's follow up complaint points. And for the reasons given, above I think what Barclays has offered and paid is fair and reasonable under the individual circumstances of the complaint.

I appreciate that Mr and Mrs B will be disappointed in my decision as its clear they feel strongly about it. but I hope I have been able to explain how and why I have reached that decision.

My final decision

For the reasons given, I don’t uphold Mr and Mrs B’s complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs B and Mr B to accept or reject my decision before 1 November 2024.

Catherine Langley
Ombudsman