

The complaint

Mrs W complains that Barclays Bank UK PLC took too long to complete an Individual Savings Account (ISA) transfer.

What happened

Mrs W instructed Barclays to transfer an existing ISA she held elsewhere to a new ISA she had opened with it on 14 January 2023. But the funds weren't applied to Mrs W's Barclays ISA until 14 April 2023.

Mrs W says that during the three months she was regularly contacting both businesses involved in the transfer to find out what was happening, but she wasn't given any explanation. She eventually found out that the other ISA provider had sent the funds to Barclays by cheque. So, Mrs W complained to Barclays. She said the delay had caused her a lot of worry and negatively impacted her health as she didn't know what had happened to her life savings.

Barclays acknowledged that the transfer had taken too long. It said this was due to an unprecedented amount of ISA transfer requests. Ultimately, it credited Mrs W's ISA with the interest the account balance should have earned from 3 February 2023 - £652.05. And it paid her £200 compensation in recognition of the distress and inconvenience the delay had caused. Mrs W was unhappy with this outcome and referred her complaint to us.

Our investigator looked into the matter. He noted that Barclays' records showed that automated messages had been received indicating the transfer was blocked in the automated transfer process and that Barclays had made attempts to request the ISA transfer. Overall, he thought Barclays had acted fairly by backdating the interest and paying Mrs W compensation for the distress and inconvenience caused because it hadn't kept her updated. Mrs W didn't accept this outcome. So, the complaint has come to me for a final decision.

Mrs W has also raised a complaint about how Barclays dealt with a DSAR request which related to this issue. And she has raised a separate complaint about the other ISA provider. I have addressed these complaints separately.

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.

I'm aware I have only summarised the circumstances of Mrs W complaint above. So, I'd like to reassure her that I have read and considered everything she has told us in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Having done so, while I appreciate Mrs W's strength of feeling about what happened - overall, I've reached the same overall conclusion as the investigator. I'll explain why.

I know Mrs W would like more information about what went wrong with her ISA transfer. And she feels that Barclays hasn't provided her with the detail she was looking for. In responding to this service's enquiries, Barclays has been able to show that it received automated messages indicating the transfer had failed in the automated ISA Transfer Service and that further attempts were made to request the transfer. So, I'm persuaded that Barclays was making attempts to resolve the problem. But, as the automated ISA Transfer Service is not operated by Barclays – it's operated by a third-party business, I can't safely conclude that Barclays was solely responsible for the problems with the ISA transfer. But I would have expected Barclays to have kept Mrs W properly updated.

Barclays has accepted that the whole matter took too long, and from what I've seen I find there were failings in keeping Mrs W updated. So, I've thought carefully about what Barclays has since done to put things right.

Barclays has backdated the interest Mrs W would have received – which is what I would expect it to do. Mrs W has questioned why the interest was backdated to 3 February 2023 rather than 14 January 2023. But ISA transfers can take up to 15 working days – as confirmed on the government website:

<https://www.gov.uk/individual-savings-accounts/transferring-your-isa>

As 3 February 2023 was 15 working days after Mrs W made the transfer request, I'm persuaded that it was fair for Barclays to use this date from when the backdated interest should be calculated.

Mrs W has also questioned whether the backdated amount is accurate. I appreciate Mrs W's concerns stem from Barclays initially calculating the backdated interest incorrectly. But from what I've seen the original amount it offered to backdate was based on a much later date whereas it subsequently agreed to backdate the interest to 3 February 2023. I've not seen enough to suggest the amount Mrs W has now received is incorrect. Overall, I'm persuaded Barclays has put Mrs W back in the financial position she would have been in had the delay not occurred.

As mentioned above, I accept the service Mrs W received during the three months it took for the ISA transfer to complete wasn't good enough. And I recognise this caused Mrs W distress and inconvenience as she didn't know what had happened to her life savings despite the number of phone calls she made to Barclays.

Barclays has paid Mrs W £200 in recognition of the distress and inconvenience caused. I've thought very carefully about what Mrs W has told us about the calls she had to make and the time the issue was ongoing. In doing so, I've also taken into account that Barclays wasn't the only business involved in the ISA transfer. And that Mrs W has received a compensation payment in the connected complaint.

Overall, I find that Barclays isn't required to do anything more in respect of this complaint as the compensation payment already made is fair given the wider circumstances.

My final decision

For the reasons given above, I do not uphold this case in this sense that Barclays has put right Mrs W's financial loss and paid fair and reasonable compensation given the wider circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 26 March 2024.

Sandra Greene
Ombudsman