

The complaint

Miss D complains that despite numerous attempts and complaining to Barclays Bank UK PLC ("Barclays") she was unable to open accounts over its mobile app resulting in her being unable to invest with Barclays in the products she wished.

What happened

Miss D says she tried to open and invest two savings accounts – an ISA and a bond - through her mobile banking app from June 2023. Miss D wasn't able to do this due to an error message. Miss D attempted to open the accounts over the phone with a Barclays advisor using the app but again ran into problems.

After continuing to have trouble Miss D called Barclays and complained on 10 October. Barclays advised Miss D over the phone she could go into branch to try and resolve the issue, but Miss D didn't want to have to go into branch as she'd only recently done this to merge her profiles and had issues getting an appointment for this, the branch was difficult to get to and was concerned as rates were going down she'd miss the window to secure the rate currently on offer.

The Barclays advisor explained it is a bank error and that they will put this down and that the complaints team should be able to look at the ID documents and sort the problem out and ensure Miss D wouldn't lose the rates.

Barclays say it spoke to Miss D about this on 17 November and in response to this it raised the issue with its IT department and credited Miss D's account with £150 compensation. Miss D was unhappy with this as she wanted to be compensated for the loss of interest.

Barclays said its IT department tried to contact Miss D three times but failed to get a response and so closed the ticket it raised. Miss D contacted Barclays again on 29 November for an update at which point the case was reopened and assigned to a case handler. Miss D advised that she was unable to get an appointment at a branch due to no availability at the branch she wished to visit.

Following this Miss D did manage to visit a branch in December and was able to get the issue fixed by a member of staff checking a box in Barclays system to unlock the issue with its app allowing Miss D to access and open two new savings accounts.

Miss D bringing her complaint to this service and Barclays offered her £130 for the identifiable financial loss in interest on the ISA but it wouldn't make an offer on the bond product as there was no equivalent comparable product at the time Miss D raised her complaint. Miss D didn't wish to accept this offer.

One of our investigators looked into Miss D's concerns and didn't think Barclays had done enough as they hadn't seen any evidence to suggest what happened wasn't a bank error with the app or that it had tried properly to fix the issue despite being notified of it. They thought Barclays added towards the delays in fixing the problem and should cover the full loss of interest Miss D incurred.

Our investigator recommended Barclays pay:

- £130 it offered as the loss of interest on the flexible ISA;
- £200 for the estimated difference in interest on the bond;
- An additional £150 for distress and inconvenience totaling £300.

Barclays disagreed, it says Miss D delayed complaining about the issue for months during which interest rates fell and that it tried to contact Miss D three times before it closed the ticket raised regarding her IT issue as it can't keep chasing customers. Barclays don't think the recommended compensation is fair as Miss D managed to open a bond for 18 months which means if it accepts the compensation recommended for the interest on the 2 year bond she says she lost out on she could potentially get interest twice on the same amount.

Our investigator explained that they were only recommending compensation from the point Barclays was aware of the issue. And as it was too difficult to work out exactly what loss Miss D might suffer their recommendation of redress was an estimate of the potential loss and invited Barclays to put forward its own fair offer of redress.

Barclays didn't respond and so the complaint was progressed for an ombudsman's 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.

My role is to look at the problems Miss D has experienced and see if Barclays has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Miss D back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered everything, it is clear that something has gone wrong – Miss D was unable to open two savings accounts at the time she wished due to a technical issue with Barclays app – which Barclays have accepted – and as a result wasn't able to invest in the products she wished.

Fortunately, this was eventually resolved – by what appears to have been a simple click of a button and Miss D was able to open and invest in two Barclays products – the ISA and bond in December 2023 - but not at the rates that were originally on offer.

Barclays offered Miss D £130 for the lost interest on the ISA and paid £150 compensation for the distress and inconvenience suffered. So what I need to decide is whether this is enough to put things right for Miss D. And I'm in agreement with our investigator here, that I don't think it is.

I say this because Miss D didn't miss the opportunity to invest in just the ISA due to problems with Barclays app, she also lost out in investing in the bond. Barclays say that it is unable to compensate for the loss on the bond as there is no comparable product. That may be so, but I don't think it would be fair or reasonable to then just pay her nothing – especially considering it has accepted responsibility for Miss D's loss on the ISA.

I accept that it isn't possible to work out exactly what Miss D has lost but our investigator has put forward what I consider a reasonable offer based on what they think Miss D likely missed

out on based on what rates Barclays have said were available at the time. The difference in the interest rate she could've invested in - but for the technical issues - to the one she did invest in is:

0.5% interest on £20,000 over two years = £200.

I accept that the product Miss D did invest in was for only 18 months and it is possible Miss D could reinvest at a higher rate for six months and potentially benefit more. But I don't think that means this recommendation isn't fair or reasonable in the circumstances. And as Barclays has failed to come back with any alternative offers, I've decided to uphold Miss D's complaint and I'm in agreement with our investigators recommendations on how to settle Miss D's complaint as outlined below.

Putting things right

Barclays should now pay Miss D:

- £130 for the loss of interest on the ISA;
- £200 for the estimated loss of interest on the bond; and
- A further £150 compensation for distress and inconvenience caused for the time Miss D has had to spend on calls, visits to branch and emails to have the matter sorted.

My final decision

For the reasons I've explained, I uphold Miss D's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 4 July 2024.

Caroline Davies
Ombudsman