

## **The complaint**

Mr K complains delays from Barclays Bank UK PLC stopped him investing.

## **What happened**

Mr K had a bond with Barclays, and it was due to mature. Mr K didn't get any paperwork about the maturity, and Barclays reinvested the proceeds into a new bond.

Mr K contacted Barclays to find out why he hadn't been paid the bond at maturity and Barclays agreed to send Mr K the money.

It took some considerable time for Barclays to cancel the bond and send Mr K the money, including two attempts at sending cheques. Eventually Barclays paid Mr K his money by bank transfer.

Mr K complained and said he intended to invest in gold, missed the opportunity to do this and incurred investment losses. Barclays responded to say it accepted it had made some errors but wasn't responsible for any consequential loss.

Barclays offered £200 to compensate for the poor service Mr K received.

Unhappy with this response, Mr K brought his complaint to this service. An investigator looked into things and thought Mr K's complaint should be upheld. The investigator was persuaded Mr K was looking to invest in gold.

The investigator thought Barclays should pay half of his apparent loss, minus some fees, and, since Mr K had been deprived of this profit, 8% on the settlement. The investigator thought the £200 compensation payment was fair.

Barclays didn't agree, and made several points around why it disagreed. Among these were it sent Mr K the maturity letter and couldn't be held responsible if he didn't receive it.

When Barclays got no response to its letter, it reinvested the money in a new bond. Barclays accepted Mr K had poor service, and this is why it offered £200.

Barclays said it had no notice Mr K wanted to invest the proceeds of his bond. Barclays also said once Mr K had the money, he didn't invest on gold but in a family venture. Barclays said there was no proof Mr K was going to invest in gold.

Mr K also disagreed and said he'd had some serious health issues and needed to avoid stress. Mr K said Barclays caused him a lot of stress during the period he had no access to his money, and it impacted his sleep.

Mr K said he had enough proof to show he intended to invest in gold, and for the medium to long term. Mr K supplied evidence of other investments over a medium to long term. Mr K

disagreed with the investigator's date they thought Mr K would have sold his investment.

Mr K said he didn't feel the need to tell Barclays, in his first few calls, about his intention to invest in gold. Mr K said he had a generational opportunity to invest in gold, and didn't invest once he had the money as he missed the opportunity.

Since neither party agreed with the investigator's assessment the complaint was passed to me to decide things.

### **My provisional decision**

I issued a provisional decision and in it I said:

I'm satisfied Barclays sent out the maturity letter on Mr K's bond. I've seen a copy of the letter, dated 13 September 2022, and I think this was sent out to Mr K.

I'm also satisfied Mr K didn't receive this letter.

But I think Barclays can fairly rely on assuming the letter was received by Mr K. And since Barclays received no response, it acted in line with the letter and put the proceeds of Mr K's bond into a new bond.

Barclays then sent Mr K a confirmation letter, and this is when Mr K contacted Barclays so he could be paid the money from the bond. Mr K contacted Barclays on 21 October 2022 and was told the money would be put in an instant access account by 27 October 2022.

This wasn't done, and there was considerable dialogue between Mr K and Barclays to get the money paid to him. Barclays sent two cheques, despite saying it would make a direct transfer, and eventually paid the money direct to Mr K's account on 22 November 2022.

I think the payment of Mr K's bond took too long. It's also clear Mr K was in constant contact with Barclays through this period.

Mr K has explained he's experienced some severe health problems in the past, and needs to avoid stress. Mr K has said the lack of assistance from Barclays, and its poor service caused him stress and affected his sleep.

I think Mr K was caused some considerable distress by Barclays' actions around accessing the money in his bond. Barclays has offered £200.

I have to consider the effect this had on Mr K as an individual consumer. And although Barclays may not have been on notice of Mr K's medical history, I think Mr K will have been more distressed because of his individual circumstances.

I think a payment of £400, to compensate for the distress caused to Mr K, is fairer in the individual circumstances of this complaint.

Mr K's said he would have invested in gold had he got the money from his bond sooner.

Mr K's sent in proof of a trading account and said he was researching gold as an investment for some time. Mr K's said gold was trading at a low, and it was a generational opportunity to invest at this price.

And Mr K's shown the gold price increased during the period he didn't have the money.

Barclays has said there's no evidence Mr K would have invested in gold. And Barclays has said Mr K didn't invest in gold once he had the money. And all of this is true.

Mr K's explained he didn't invest in gold as it had risen in price and he'd be investing at the peak, which doesn't make sense. I think this is a reasonable explanation.

Both Mr K and Barclays have said there are assumptions in the investigator's assessment. But I don't think there is any way to assess whether Mr K would or wouldn't have invested in gold other than assumptions.

Mr K can't prove he would have invested in gold, using the money from Barclays, because he didn't have the money. It's also difficult for Barclays to prove Mr K wouldn't have invested.

Where evidence is incomplete, or contradictory, I can decide things on the balance of probabilities, what I think is more likely to have happened.

There's no dispute Mr K's invested before, I've seen screen shots of the investment platform he uses. But there's nothing to show Mr K's invested in gold in the past. I can see Mr K's invested in shares, crypto currency and more generally in the stock market.

I can't see what kind of amounts Mr K has invested in the past, or currently has invested, so it's difficult for me to know if Mr K would likely have invested all his free cash in gold. Mr K had a considerable amount of money in the bond.

I assume this was the majority of Mr K's free cash, because if Mr K had an equivalent amount elsewhere, I'd have expected him to invest this in gold. Mr K's explained the bond was earmarked for gold as he had no other free cash.

But I'm not entirely persuaded Mr K would have invested all his free cash in an investment that might not return his money.

And Mr K's said this was a generational opportunity, but it doesn't seem he cashed out any of his other investments, or used any other savings, to take advantage of this opportunity.

Mr K's said his other investments were long term, but there was always the option of selling, even at a loss, to gain through this generational opportunity.

Overall, I don't think I can safely say Mr K would have invested all, or even some, of his bond money in gold.

I realise Mr K is going to be very unhappy with this outcome, but I don't feel, on balance, there's enough to say this once in a lifetime opportunity was something Mr K was going to take advantage of using all his free cash.

Mr K's since used the money from his bond to invest, long term, in a family venture.

Mr K's explained this is a business run by a family member, and he's invested in this previously. Mr K also says he'd discussed further investment with the family member.

I'm not sure Mr K would have invested all his free cash, needed for this future investment in the family venture, in a potentially volatile stock. There was never any guarantee Mr K would have made money from the gold investment, and he could have lost money.

Hindsight is always a factor in potential investment loss, we're always looking towards a stock that would have risen in the interim. Mr K's said other stocks and products increased in value more than gold, so he's being honest in saying the money was for a gold investment.

Whilst I agree Mr K could have picked another stock, and said he'd lost out on even more, this on its own isn't enough for me to say he'd definitely have tied up all his free cash in gold.

But there's no doubt Mr K was deprived of the money from his bond, and wasn't able to do something with this money. Where I can't be definite what Mr K would have done with the money, I think it's fair Barclays pays Mr K 8% interest on the deprivation of the bond money.

Mr K was first told he'd have access to his money on 27 October 2022, but it wasn't paid to his account until 22 November 2022. I think this is the period Mr K was deprived of his money.

### **Responses to my provisional decision**

Barclays accepted my provisional decision.

Mr K didn't agree and raised several points around my provisional decision. I've listened to the call Mr K had with the investigator in response to my provisional decision.

I don't intend to answer each of these points, but this isn't meant as a disservice to Mr K, but a reflection of the fact we're an informal service. I can focus on what I think is relevant to the complaint and its outcome.

Mr K feels I've sided with the big organisation and not considered the little person's voice and rights.

Mr K's said he couldn't invest as he didn't have the money, Barclays had it.

Mr K's said he had serious health issues, because of the delays from Barclays.

Mr K explained the additional medication he needed to use, and said the delay and misinformation around cheques and direct payments affected his mental wellbeing, which wasn't considered in my provisional decision.

Mr K said he was hell bent on buying gold, fully committed to the investment. Mr K said he's continuously proven his intent to invest in gold.

Mr K said by the second or third communication with Barclays he explained he intended to invest in gold, this shows his intent.

Mr K said he hadn't considered cashing in other investments as he didn't need the money until the delays caused by Barclays started. And, some of the investments were long term and beginning to profit so Mr K wouldn't cash these in.

Mr K also said he's got considerable amounts invested elsewhere, so the amount in his Barclays' bond wasn't all his money.

Mr K said he put the proceeds of a second bond into another bond around this time. Mr K said in hindsight he should have swapped this around, but he'd earmarked the Barclays bond for the gold investment.

Mr K said gold was trading at a generational low, and it's one of the safest, if not the safest investment around.

Mr K said all his other money was locked away, so Barclays' delay in releasing the proceeds of the bond meant he couldn't invest in gold and lost a significant amount of profit.

### **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 sorry Mr K feels I've sided with Barclays. My role is to impartially consider the complaint, I don't take either side, Mr K nor Barclays'. And I've said Barclays made an error here, and I'm upholding Mr K's complaint because of this.

Mr K's expanded on the effect the delays had on him. I'd already seen the information Mr K had sent in around his increased prescription use. I have no doubt the delays had an adverse effect on Mr K's physical and mental health.

I may not have been explicit in my provisional decision, but I have considered the effect on both Mr K's physical and mental health, I mentioned his lack of sleep, which would impact both. I still think a payment of £400 to compensate Mr K for the delays and service is fair.

Mr K's said he was fully committed to investing in gold, and feels he's sent in lots to prove this. Unfortunately, I have to disagree here. Mr K's been consistent in his testimony to this service, and whilst this is some proof it's not the most persuasive.

And I can see Mr K was telling Barclays of his intention to invest in gold whilst the delays were ongoing.

I said in my provisional decision it would be hard to prove Mr K was definitely going to invest in gold. But I've seen nothing to show even a small investment at the time to take advantage of the low price.

Mr K's said he's since invested in gold. But an investment a year later, and around 10% of what Mr K said he would have invested in October 2022 doesn't, I think, prove Mr K would have invested the Barclays' bond proceeds in gold.

Mr K says any investment in gold would have been reasonable as part of a diversified portfolio of cash and investments. So, it's unfair of me to say I can't see Mr K investing all his free cash in gold.

And Mr K wouldn't have cashed in other investments to take advantage of the gold price.

But Mr K has said several times the gold price was a generational opportunity. Mr K says he couldn't take advantage of the opportunity as all his free cash was delayed by Barclays.

But I don't think this is entirely correct. Mr K mentions another bond maturing at a similar time. Mr K paid this maturity money into a new bond with another provider. I've looked at when Mr K made deposits to the new bond he took out.

Mr K paid into this new bond on 21 October 2022, and then a further £20,000 on 22 and 23 October 2022.

Mr K spoke to Barclays on 21 October 2022 and was told on this call the bond money wouldn't be released until 27 October 2022. The call was quite late, so I think Mr K had probably already paid some money into the new bond with another provider.

But on 22 and 23 October 2022, Mr K made further significant deposits knowing he wouldn't have the money from Barclays for several days. I don't think this action supports Mr K's firm commitment to invest in gold.

Mr K has mentioned several times it would be unwise to invest in gold on the way up or at the peak, and I agree. Mr K says he did research into the gold price and knew this was an attractive investment, he wouldn't have been the only person to know this.

So, there was a strong chance Mr K might need to move fast to ensure he invested in gold before the price increased too much. But instead, Mr K locked away free cash in a bond with another provider.

The price of gold increased between 21 and 27 October 2022, although it later fell back, but Mr K had placed himself in a position where couldn't act quickly, he'd locked what free cash he had away in a bond with another provider.

I'm not persuaded this is the action of someone intent on investing in a generational opportunity.

Mr K's said, in hindsight, he'd have done things differently, but in his mind he'd ringfenced the money from Barclays for gold. Whilst I accept this might be a reasonable thing to think, I don't think it supports Mr K's statement he was hell bent on investing in gold.

Although I don't think Mr K is in any way responsible for delays after 27 October 2022, I think this was all Barclays' fault, I can't see why Mr K locked away all his money knowing the Barclays payment would be delayed until 27 October 2022.

Overall, I'm still not persuaded Mr K would definitely, or even on balance, have invested in gold with the money Barclays delayed paying out to him.

But Barclays did delay the payment to Mr K. I'm still satisfied Barclays took longer to pay the bond proceeds to Mr K than it said it would.

My final decision is unchanged from my provisional decision.

I realise this will come as a huge disappointment to Mr K but I'd like to reassure him I've considered everything he's said, including his upset at my provisional decision, but I have to step back and look at things impartially.

## **My final decision**

My final decision is I uphold this complaint and Barclays Bank UK PLC should pay

Mr K 8% a year, simple interest, on the amount he was paid (the initial bond amount and interest) from 27 October 2022 to 22 November 2022 and £400 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 April 2024.

Chris Russ  
**Ombudsman**