

The complaint

Mr W complains about how Barclays Bank Plc ('Barclays') administered the transfer of his Individual Savings Account ('ISA'). He says this took too long, and it caused him a financial loss and some distress and inconvenience.

What happened

Mr W has made a number of complaints about the customer service that Barclays provided in relation to his ISA. He has done this on behalf of himself and some of his family members. I'm only looking at the complaint that has been made about the delay in transferring his ISA and were considered in Barclays' final response of July 2018. I've noted the other issues that have been raised and how they have been looked at. And that one of Mr W's family members complaints about an ISA transfer has already been considered by an Ombudsman.

Mr W brought this complaint to the Financial Ombudsman Service in 2018, but it wasn't considered fully then. It's not clear why this was, but I can only apologise for this oversight on our part.

Mr and Mrs W have both complained about their respective ISA transfers. This is Mr W's complaint. I've looked at Mrs W's complaint separately but there is significant overlap between the two.

By way of some background, Mr W had an ISA with Barclays, and he made a request to transfer this to a third party. The request was made in November 2017, with the transfer form received on 4 December 2017. There was a delay in the transfer proceeding and the last investments in his portfolio were transferred in May 2018. There was a cash element to the portfolio, and this was transferred in March 2018.

It's been established that Barclays should have completed the transfer sooner than it did. And that it was responsible for the delay in the transfer. This transfer was made 'in specie', that is the investments themselves were transferred to the other provider, rather than being sold and the cash balances transferred.

Barclays has paid compensation on the basis that the cash element of the fund was transferred out 63 calendar days later than it should have been. This is because it considers six to eight weeks is a reasonable time to process an ISA transfer.

Mr W has complained to Barclays about the delay in the transfer of his ISA. He complains that:

- HMRC rules are that an ISA should be transferred within 30 calendar days,
- He was unable to trade over the period of the transfer as this may have further delayed the process.
- Barclays has not been trustworthy or helpful throughout the complaint process.

Barclays has considered this complaint and it has upheld it (alongside complaints about a number of other issues). It agreed that it should have transferred the ISA quicker and that it could have communicated better with Mr W. And that this had caused some obvious worry and inconvenience. It said it would normally allow six to eight weeks for the transfer to take place and it added interest to the cash balances to reflect the delay in the transfer, as I've outlined above. It provided some compensation for the customer fees paid.

Mr W doesn't agree with the amount of compensation that has been offered and he has brought his complaint to the Financial Ombudsman Service.

One of our Investigators has considered the complaint and he has upheld it. It was established that the delay was due to the actions of Barclays and there were no extenuating circumstances here. The transfer should have been completed within 30 days - not six to eight weeks. He thought that:

- Mr W should receive compensation for the distress and inconvenience caused by the delay of £700.
- The cash balances should have been transferred within 31 days. That is 27 December 2017. Interest should be calculated on this basis.

He thought that Mr W's complaint about being unable to trade was adequately addressed by this compensation payment. And the amount of compensation shouldn't be increased to reflect the size of the funds held within the ISA.

Mr W didn't agree with our Investigator saying he thought that he hadn't taken on board the points he had made. And he said that the award for distress and inconvenience should be higher than the Investigator recommended. He pointed to the information on our website and the criteria for awards between £750 and £1,500, and £1,500 and £5,000. He said this situation had caused:

- Many hours of frustrating communications that lasted six to seven months.
- Poor customer service over a long period.
- This was in addition to his regular work and the caring responsibilities he had for his family.
- He said this situation has been ever present with him for years and this affected his health.
- Barclays advised him not to trade over the period of the transfer.

As no agreement has been reached the complaint has been passed to me to consider.

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.

At the heart of this issue is that Barclays delayed the transfer of Mr W's ISA to a third party. This should have taken 30 days but took a number of months. Barclays has accepted that it should have done better here and that this has caused Mr W some financial costs and a significant amount of distress and inconvenience. As all the details about this are well known to all of the parties to the complaint, I won't detail them here. But I have read everything which has been provided as part of this complaint, and I'm aware of all the events that surround it.

Mr W was transferring the equity-based investments held within the ISA to another provider, so the length of time won't have affected the value of the investments he held. But there are essentially two areas where he could have suffered a loss. He could have suffered a loss if he had wanted to trade and he was prevented, or felt he was prevented, from doing so due to the transfer process. I can see that Mr W feels strongly that it would have affected the transfer if he had decided to trade, and he said Barclays advised him not to do this. And there was a delay in the transfer of the cash balances which led to a period where they were not providing a return.

Looking at Mr W's ability to trade. Whilst it is possible that making a trade could have delayed the transfer, I firstly think it's reasonable to say that Mr W would have anticipated that the transfer would lead to a period when he would not trade.

And I think it would be problematic to establish a loss due to a lack of trading opportunities, something which I think Mr W has recognised himself when he responded to our Investigators opinion. I don't think it's been established that Mr W had identified other investments he wanted to make, and he was set on making these within a certain timeframe. Or that he was prevented from doing this due to the transfer. And I must bear in mind that he could have ultimately traded investments if he wanted to, and accepted that this may have caused a delay, if it did. So, I don't think it would be fair to award specific compensation for this. I agree that this would have caused some frustration, but I am making an award for this, which I'll talk about more below.

Our Investigator thought that Mr W should have been awarded interest on the cash balances on the assumption that the transfer took 30 days to complete. Neither party has disagreed with this part of the compensation, and I also think it is correct. I'm making an award on the same basis for the cash balances part of the transfer.

The remaining issue to consider is that Mr W feels he should be awarded a significantly greater amount of compensation for the distress and inconvenience he suffered. This is because he says that the poor service was particularly long running and caused him a significant amount of stress. He outlined this in his letter of the 18 March 2024 in which he pointed to how the delay and poor service had taken many hours, months and even years, to resolve. And how he felt this frustration had affected his sleep and his health.

It's clear that Mr W has read the information on our website about the amounts the Financial Ombudsman can award for complaints of this nature, and he feels that his complaint is similar to an example given there where the Financial Ombudsman made a higher award. But I don't agree that this is the case.

Any compensation for distress and inconvenience should be related to the issues complained about. Here this is the time taken to transfer his ISA. But the ISA transfer was completed some months after the transfer request as I've outlined above. Added to this, Mr W was transferring his investments 'in specie' and so there wouldn't be a change in the value of his portfolio due to the transfer process. So, whilst I'm sure this was a very frustrating process for Mr W, I don't think it's right to say the transfer process took a very long time, for example a number of years, and he should receive compensation on this basis.

Mr W has had a very long running complaint about this and Barclays and him haven't been able to agree compensation. But this isn't the same as the distress caused by the activity itself, and it's worth noting that the financial Ombudsman Service can't consider complaints about complaint handling. I appreciate the issues that surround the transfer itself, the overall customer service and the complaint are in some ways 'connected', but I do have to bear in mind what we can, and can't, consider.

Overall, I think the amount the Investigator recommended is fair. I don't think it should be related to the size of the portfolio. And it isn't designed to act as any kind of deterrent or to punish Barclays because of its mistakes. This isn't my role here: it is only compensation for Mr W's distress and inconvenience.

I'm sure this is not the outcome Mr W wants but I'd like to reassure him that I have taken on board what he has said. That said, I don't agree with what he thinks is a fair way to resolve the complaint.

Putting things right

Barclays should put things right for Mr W by doing as follows:

- Pay Mr W £700 for the distress and inconvenience caused.
- Pay interest at the rate of 8% simple on the cash balances on his ISA on the basis that it was transferred on 27 December 2017. That is interest from this date until the date it has already paid interest due to the delay.

The amount of distress and inconvenience is a total amount for the delay in the ISA transfer. Barclays can deduct any amounts it has already paid for this reason from the compensation.

If Barclays does make any deductions, it should provide information that shows the compensation has already been paid for this, rather than another complaint Mr W has made.

My final decision

For the reasons I've explained, I uphold Mr W's complaint.

Barclays Bank Plc should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 June 2024.

Andy Burlinson
Ombudsman