

The complaint

Mrs B complains that Barclays Bank UK PLC constantly kept rejecting her Individual Savings Account (ISA) transfer out to other providers.

What happened

Barclays wrote to Mrs B to inform her that her one year Flexible Cash ISA would be maturing on 2 January 2024. Mrs B wanted to make two transfers from this ISA to two external ISA providers, so she completed the transfer requests, and she thought the money would be transferred on maturity as she didn't want to pay a penalty for transferring her ISA prior to maturity. But Barclays kept rejecting her transfer requests.

Mrs B contacted Barclays regularly when this happened, and she was told different information for the rejection by different call handlers. She was also told to contact the prospective ISA providers, and to resubmit the transfer requests. Mrs B says she was promised call backs, but she didn't receive these. Mrs B made a complaint to Barclays.

Barclays upheld Mrs B's complaint and offered her £150 compensation. They said the reason for the rejections is because partial transfers out are not allowed to be completed from a Flexible Cash ISA. They said processing her requests early led to the rejections. Barclays apologised that Mrs B was not given the correct information on her first call, which caused her to make calls to the external providers and further phone calls to them. Mrs B brought her complaint to our service. She said £800 compensation would be fair.

Our investigator said Barclays £150 offer was fair. She said having read the terms and conditions, Barclays weren't able to complete partial transfers until the product had fully matured and switched to a product which could facilitate partial transfers. Mrs B asked for an ombudsman to review her complaint.

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've reviewed the letter dated 5 January 2023 which Barclays sent to Mrs B when her one year Flexible Cash ISA was opened. This contains the wording *"You can transfer all of the money in your Flexible Cash ISA to another ISA provider or another cash ISA with Barclays at any time. You cannot transfer only part of the money held in your Flexible Cash ISA"*.

Here, Mrs B wanted to transfer this ISA to two providers. In order for her to do this, the account needed to mature into an ISA which could facilitate partial ISA transfers. The letter Barclays sent Mrs B dated 5 December 2023 sets out that upon maturity the account would automatically change to an Instant ISA Issue 1. The letter contains the wording *"To transfer your cash ISA (or part of the balance on your cash ISA) to another ISA manager you must give your transfer instructions to your new ISA manager who will forward your request on to us"*.

I'm satisfied that Mrs B did do this. And I'm persuaded that she was clear she didn't want this transferred early and incur a penalty (not to mention that Barclays couldn't facilitate partial transfers prior to maturity until the account changed to the Instant ISA). So it would be reasonable for Mrs B to expect this to happen upon maturity. And I would have expected Barclays to have kept the ISA transfer(s) on hold until the ISA matured based on Mrs B's instructions.

So I can empathise with the position Mrs B found herself in through no fault of her own when the ISA requests kept getting rejected by Barclays as the funds hadn't matured yet. But to compound what happened, Mrs B was often given incorrect information from the call handlers she spoke to. This would have been distressing for her to not get the correct reason for the rejections when she first contacted them. If this would have happened, then Mrs B would have been in an informed position, and she wouldn't have had to keep contacting Barclays or her new ISA providers.

But Barclays urged Mrs B to contact the ISA providers. So Mrs B would have been inconvenienced by this to contact the new providers to keep resubmitting ISA transfer applications, only for these to be rejected again. Barclays have told us there were four ISA transfers rejected from one of the new ISA providers, and two ISA transfers rejected from the other ISA provider. So it would have been distressing for Mrs B to keep receiving ISA transfer rejection letters. This started the cycle of her then ringing Barclays to find out what happened and her not being told the correct information which led to the requests being raised again. And it would be frustrating for her not to receive a call back if she was promised one.

I've considered what would be a fair outcome for this complaint. Mrs B wants £800 compensation for what happened here. But I must explain to her that our awards are not designed to punish a business or to make it change the way they act in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.

Barclays have offered Mrs B £150 compensation. This is in line with our awards for the impact of the distress and inconvenience that Mrs B was caused by Barclays not clearly explaining to her what was happening when she first contacted them about the rejected ISA transfer. I also think the transfer requests shouldn't have been processed prior to maturity based on Mrs B's instructions. Mrs B had multiple calls with Barclays (and her external ISA provider's based on what the Barclays call handler's told her) where they let her down, and she didn't receive a call back when she was promised one. So it follows I'll be asking Barclays to pay Mrs B the compensation that they offered her.

My final decision

Barclays Bank UK PLC has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Barclays Bank UK PLC should pay Mrs B £150. But I won't be requiring them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 June 2024.

Gregory Sloanes

Ombudsman