

## The complaint

Mr W has complained about Barclays Bank Plc's failure ('Barclays') to transfer his stocks and shares ISA to a different product provider.

## What happened

On 16 August 2022 Mr W signed a transfer request for Barclays to transfer his ISA to a different product provider who I shall refer to as 'PP' in my decision. The assets held within Mr W's ISA were to be sold and reinvested upon transfer to PP. The transfer didn't happen and still remains outstanding.

Mr W raised a complaint with both parties, but this decision only refers to the complaint about Barclays.

Barclays didn't respond to Mr W's complaint, so he brought it to the Financial Ombudsman Service. In the absence of Barclays' response our investigator reviewed the information she did have and upheld the complaint. She said;

- She thought Barclays had repeatedly and unreasonably delayed the transfer.
- PP had written to Barclays on 25 August 2022 with the transfer request saying it was prepared to accept the transfer and provided payee and address details to send a cheque payment.
- All the customer identification details were correct, so Barclays had all the necessary information.
- There wasn't any evidence to justify any cause for delay.
- She was satisfied Barclays should have sold Mr W's ISA investments on 7 September 2022 which would have been reinvested upon receipt by PP. So, to put the matter right she recommended that Barclays should backdate the sale trades to 7 September 2022, pay any shortfall necessary plus any further shortfall in the reinvestment which could otherwise have taken place on 28 September and any income that would have been received plus 8% interest.
- Mr W should also be paid £300 for the distress and inconvenience he had been caused.

Mr W accepted the investigator's findings. Barclays said it wanted additional time to review the investigator's opinion and proposed redress so wanted more time.

In its response it said that there were delays but these weren't solely due to its actions;

- After Mr W instructed the transfer on 16 August 2022 PP didn't use the correct address to provide instruction to Barclays. Both businesses used an industry wide facility which stored/authenticated all the correct information to allow for the prompt transfers between two UK brokers. However, PP sent the original transfer request to 'Barclays Cash ISA' at the incorrect address in Leicester – rather than Smart Investor – and didn't include the full account suffix number.

- PP sent a further request which was received by Barclays on 11 October which did contain the full account number and the underlying shares were sold on 13 October. Barclays considers this the first point it could have sold the shares. Subsequent to that it had tried five times to submit payment to PP, but this couldn't be completed;
  - On 26 October it sent a cheque to PP using the reference it was given. This was returned to the Barclays' account on 7 December.
  - Barclays issued a further cheque on 20 December using a different account reference (but it couldn't confirm where that reference originated from). This was returned on 13 March 2023.
  - A third cheque was raised on 10 May with a different reference but was returned on 9 June.
  - On 19 June Barclays was told it was using the wrong address despite this being the address recorded on the industry wide transfer facility. A further payment was sent to the new address but was returned on 14 July.
  - On 25 July Barclays sent payment to PP's bank account, details of which PP had provided along with the reference, but this was returned to Barclays on 2 August.
- Far from doing nothing, Barclays had been actively trying to complete the transfer and had not experienced this type of issue often.
- It wasn't solely to blame for the situation as PP had provided the wrong address, different payee and reference criteria and postal addresses.
- It couldn't agree to a price based in August 2022 to compensate Mr W for potential differences in the share price or number of shares when it had actively been trying to make payment. It couldn't comply with the payment recommended by the investigator.
- It didn't have any objection to the suggested payment of £300 bearing in mind the distress and inconvenience suffered by Mr W by the overall experience.
- It was happy to provide further payment if the correct details were provided.

Our investigator contacted PP and tried to support the transfer of Mr W's ISA from Barclays to PP. However, in January 2024 Barclays confirmed that despite using the details it had been given by PP the transferred funds had been returned. It said it wasn't sure what else it could do to complete the transfer. And Mr W decided to not repeat the transfer request until a decision had been issued on his complaint.

As the complaint about the transfer remained unresolved, it was passed to me for a decision in my role as ombudsman. I thought the dates for redress purposes should be different than those laid out by the investigator and issued a provisional decision to allow the parties to provide me with any further evidence or information they wanted me to consider. Here's what I said;

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

After doing so, I'm currently thinking of reaching a similar conclusion as the investigator but because of additional information received, I'm suggesting an alteration as to the dates for redress purposes and how the matter should be put right.

I'm going to split my findings into two – the instruction to sell the assets within Mr W's ISA prior to the transfer and the attempts by Barclays to transfer the resulting cash.

I fully appreciate that Mr W must be extremely frustrated that two large financial institutions haven't been able to complete one ISA transfer in well over a year. My understanding is that the transfer is still outstanding, and Mr W is no doubt anxious to get this completed and his funds reinvested as he wanted to in August 2022.

### Sale of the ISA assets

Barclays told us that after Mr W's initial transfer instruction of 16 August 2022 that PP didn't use the correct address to provide instruction – it was sent to its cash ISA address and didn't include the full account suffix number. I think this seems likely as the records I have seen show that;

- 25 August and 9 September 2022 – PP wrote to Barclays enclosing Mr W's signed instruction to transfer his ISA. The assets were to be sold and a cheque was to be made payable to 'PP Securities Limited' and sent to the quoted address.
- 27 September 2022 – Barclays emailed PP to say that it was unable to accept the transfer request for the reason given in the attachment – but I don't have a record of the attachment. However, Barclays wrote to Mr W on the same day to confirm that it had had to reject the ISA transfer request and return the application to PP and wouldn't be able to proceed with the transfer until it had received new instructions from PP. Barclays said 'The request could not proceed due to the account number provided is not a Barclays Cash ISA and you do not have any active ISAs with us.'

So, this suggests that the transfer requests were sent to the Barclays' cash ISA address rather than its stocks and shares address.

- 4 October 2022 – PP confirmed to Mr W in a letter that Barclays said he didn't hold an ISA with them.
- 6 October 2022 – A further ISA transfer application was completed.
- 11 October 2022 – PP confirmed to Mr W that it would be contacting Barclays to request the sale of transfer.

This tallies with what Barclays said in response to the investigator – that it had received a further request on 11 October which did contain the full account number.

- 12 October 2022 – Barclays acknowledged receipt of the ISA transfer withdrawal request to Mr W and that the process had been started.

The underlying shares were sold on 13 October. Barclays considers this the first time it could have sold the shares. And I agree with Barclays on this point. Prior to 11 October 2022 I haven't seen any evidence that Barclays was in receipt of a transfer instruction which would include the sale of the assets held within the ISA. In conclusion, I don't find that Barclays is liable for any of the delays experienced in the sale of the ISA.

So, what remains for me to consider is the attempts made by Barclays to transfer the cash to PP.

### Transfer of funds

Barclays has told us that has tried five times to submit payment to PP, but this couldn't be completed.

I have been given a lot of detail about the various attempts made by Barclays to transfer the funds to Mr W's account with PP. PP has also provided details of correspondence and contact as well as information received from Mr W.

I asked some further questions of Barclays as while I appreciated that Barclays tried to make subsequent payments, the first two payment attempts made by Barclays didn't seem to comply with the payment instructions given by PP.

It told us that the payee details are normally provided by PP, and it provided a screenshot of those details – the screenshot itself is confidential, so I won't repeat the full details here, but for the payee details included I'll refer to them as 'Mr W's name and account ending 61'. I've not seen anything to suggest that it wasn't unreasonable for Barclays to have relied upon that information.

After the ISA assets were sold on 13 October 2022 a cheque payment was sent on 26 October 2022 to PP's address and the copy of that cheque shows that the correct payee details were used as provided by screenshot which I understand would have been provided by PP – 'Mr M's name and account ending 61'. Account number ending '61' is Mr W's account number referred to in PP's correspondence. But the payment was reversed on 7 December 2022 as PP confirmed it couldn't be accepted.

Further to the above payment details, I've also been provided with the letter from PP dated 12 October which enclosed Mr M's signed instructions – the ISA transfer request – and details of where the payment should be sent, PP's address (the same address as quoted in the above screenshot), and that cheques should be made payable to 'PP Securities Limited'.

I asked Barclays how the two different instructions came about. It confirmed that it's not unusual to receive multiple instructions. It said it acts on a clear and actionable instruction as quickly as possible but multiple instructions will cause delays if they are contradictory which I think is a valid point.

I also asked Barclays why the screenshot payee instructions would have superseded the instructions given in the letter of 12 October which had included the ISA transfer request. Barclays said that it will follow any specific instruction it received but PP had asked for this to be done outside of its normal process. I'm not sure if Barclays means it had to make payment via cheque – which it didn't normally do, or that it had received two different payee details.

However, out of a choice of the two payee details provided, I don't find Barclays' decision to make the cheque payable to 'Mr M's name and account number ending 61' rather than 'PP Securities Limited' to be unreasonable. I say this because upon receipt of a cheque payable to the business name – 'PP Securities Limited' – without any client identification details, such as account name or number etc I think it unlikely PP would have been able to identify which client account the funds should be transferred to. I think it would have been more likely that PP could have identified Mr W's account with the inclusion in the payee details of both Mr W's name plus his account number, ending 61, which I think should have been sufficient for PP to have gone ahead and credit the funds to Mr W's ISA account.

- Because of this I don't find that Barclays acted unreasonably in its attempts to send the ISA funds to PP on 26 October 2022.

Barclays says this payment was returned to its account on 7 December. I've seen a letter from PP to Barclays dated 5 December 2022 (quoting its reference ending

‘\*\*\*\*DG’) which it says was further to its letter of 1 November when it returned the cheque for £9,327.49 because the payee was incorrect. I haven’t seen any correspondence for 1 November so that may be an incorrect date, but the letter did go on to say it required a replacement cheque payable to ‘PP Securities Limited’ using the envelope provided.

Barclays issued a further cheque on 20 December. For the payee details the cheque used the reference ending ‘\*\*\*\*DG’ rather than ‘PP Securities Limited’. Barclays told us it couldn’t confirm where that reference originated from. But looking at PP’s letter of 5 December as referred to above, that is the reference used as the correspondence reference – ‘our ref \*\*\*\*DG’ – and not as instructed in the accompanying letter where the replacement cheque should have been made payable to ‘PP Securities Limited’.

- So, for the second payment attempt I find that Barclays didn’t use the correct payee details.

This is a difficult case to decide. It seems clear to me that Barclays isn’t solely responsible for all the delays that Mr W has experienced and any potential losses he has suffered. Mr W hasn’t brought to this service a similar complaint about PP. I understand that he previously complained to PP in March 2023, it responded in April 2023, and he accepted that response and offer made.

I don’t know the full details of what Mr W complained to PP about, but it is for him to decide whether PP has fully addressed all his complaint points, or whether he should complain further about the delays subsequent to PP’s final response or any different complaint points he may wish to raise. That is for him to decide.

That being said, I can only decide this complaint about Barclays and with the evidence I have been presented. However, despite all of the information and evidence I have been given, there is still some confusion as well as discrepancies. And when this is the case – where there is incomplete or contradictory information or evidence – I have to base my decision on the balance of probabilities or what I think most likely happened.

In this case I am satisfied that the first Barclays could have sold the shares within Mr W’s ISA was 13 October 2022. And I’m also satisfied that it made reasonable attempts to make payment to PP on 22 October 2022, even if that attempt proved to be unacceptable to PP. That payment failed but then Barclays didn’t act on PP’s cheque payee details instructions of ‘PP Securities Limited’ for the payment made on 20 December 2022. It used a correspondence reference instead.

I think it is from this point that Barclays needs to take responsibility for any losses that Mr W has experienced. I say this because I don’t think it’s unreasonable to assume that if the payment made on 20 December 2022 had been made payable to the correct payee, then it would have been allocated to Mr W’s ISA account with PP and invested as per Mr W’s intentions. I appreciate that Barclays has said it made subsequent attempts to make the payment – which failed, for whatever reason – but I don’t think it’s unreasonable for me to pinpoint when it would be fair and reasonable to assume that payment could have been successfully made.

On the assumption Mr W still wishes to proceed with the transfer to PP, Barclays should arrange for the completion of the transfer. I accept Barclays may have concerns that it cannot implement the transfer as instructed. But if this proves to be the case it should escalate matters both internally and externally with PP to a more senior level.

I concluded by outlining how the matter should be put right.

Mr W responded. He said;

- The only address he had was as listed on Barclays correspondence and his ID was on statements/valuations. He did have a Barclays letter with a Leicester address at the top and the London registered address at the bottom.
- He referred to a letter dated 27 September 2022 telling him the reference number he had provided wasn't a cash ISA and that he didn't have any ISAs and to visit his branch. He did so and he was told to phone instead which he did and was told he did have an investment ISA and because the application had been rejected, he would need to reapply. There was no mention of an incorrect address or ID.
- There was an unnecessary long delay from his application on 16 August 2022 and the 27 September letter which unnecessarily held up the sale of his units.
- Barclays had been advised who to make the cheque payable to with a note to say it was for his investment ISA transfer.
- He agreed there were unnecessary hold ups and there hadn't been any mention of an incorrect address.

Barclays also replied;

- It recognised a mistake had been made but didn't feel it was appropriate for it to be asked to put right the entire delay. In effect this was asking it to carry the responsibility for most of the delay when it wasn't as clear as that.
- It had no objection to the increase in the distress and inconvenience payment of £300 as Mr W is still unable to complete the transfer.
- Its main concern was with the instruction to complete the transfer. It had previously told us it completed transfers with PP regularly but a small minority – once delayed – became extremely difficult to complete. If Mr W still wanted to go ahead it would continue to try to complete the transfer and it was likely on one of the occasions it would complete despite the information being unchanged from previous attempts.
- It appreciated I was in a difficult position in reaching a decision, but it didn't feel appropriate for the onus to complete the transfer to be solely with Barclays. It requested I re-review the information already provided. It had caused delays but to apply a blanket action to correct this seems underserved.

### **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.

Mr W's submissions reiterated my findings, and he agrees his transfer was subject to unnecessary hold ups.

Barclays accepts that it caused some of the delays but doesn't feel it should be responsible to the extent that I provisionally decided. I accept the point that Barclays is making here. It considers that it is being held responsible for all of the delays Mr W experienced and that in total it had made three further attempts at payment after the first two failed.

As explained in my provisional decision, Mr W did complain to PP and accepted the outcome offered by it. I also said that Mr W could complain to PP again if he considers that he has further complaint points that need addressing. But that is for him to decide and not a direction I can make.

However, the above notwithstanding, I have re-reviewed the information on file along with the timeline of events. After doing so, I remain of the opinion that the first time Barclays could have sold the ISA assets was on 13 October 2022 and that it made a reasonable attempt to make payment on 22 October 2022. But after that attempt failed, it didn't use the correct details as provided by PP when it tried to make its payment on 20 December 2022. So, I maintain there is a failing that is attributable to Barclays.

I have to reach a resolution which I consider to be fair and reasonable under the particular circumstances of this complaint. As some of the information and evidence is incomplete and contradictory, I have decided this complaint on the balance of probabilities or what I think most likely happened. And I'm satisfied that a fundamental error was made by Barclays for the December 2022 payment which caused delays that resulted in the delay of Mr W's transfer as that payment was rejected by PP.

Overall, I uphold Mr W's complaint about the delays he experienced when trying to transfer his ISA from Barclays to PP and Barclays needs to put the matter right.

With reference to resolving the matter, Barclays has said that it has concerns about trying to process the transfer with PP. It said that while it completed transfers with PP on a regular basis when a transfer failed it would then prove extremely difficult to complete.

I think this is a matter for Barclays to resolve with PP. From what Barclays has told us this has happened before, and its comments suggest it is assuming that the same will happen again so this needs to be put right. Barclays will need to escalate this internally so it can be raised at an appropriate level with PP in order to get it resolved.

### **Putting things right**

To clarify, to put the matter right Barclays should;

- Assume that payment was made on 20 December 2022, received by PP on 22 December 2022 and they were cleared funds in Mr W's ISA account a week later, on 29 December 2022 – taking account of the Christmas break – and available for investment.
- Calculate how many shares Mr W would have bought on 29 December 2022 if the funds were invested equally between M&G Corporate Bank Fund Sterling A Inc and M&G Global High Yield Bond Fund Sterling A Inc.
- If Mr W could have bought more shares on 29 December 2022 than he could at the date of calculation, then Barclays should pay the difference in value into his ISA so that he can purchase those additional shares.
- Barclays should pay into Mr W's ISA any income that would have accrued to the total of number of shares since 29 December 2022 to the date of settlement. Added to that sum should be interest at a rate of 8% simple.
- Mr W has suffered considerable distress and inconvenience because of the delays, and I think £300 would be a reasonable reflection of that.

### **My final decision**

For the reasons given, I uphold Mr W's complaint and Barclays Bank Plc should put the matter right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or

reject my decision before 19 July 2024.

Catherine Langley  
**Ombudsman**