

## **The complaint**

Mr C complains that Barclays Bank UK PLC failed to make him aware of product costs associated with his investment because it failed to send him information in his requested format. He says that if he'd been made aware of the costs, he'd have taken an alternative course of action to avoid paying them, so they should be refunded.

## **What happened**

Mr C invested £100,000 in a Discretionary managed ISA with Barclays in 2014, in its multi-asset cautious income fund. The ISA's been maintained since then, with Mr C taking a regular monthly income.

In 2023 he became aware that product costs had been deducted from the ISA since 2018. He complained to Barclays that he hadn't been told about the existence of these costs or kept informed of the amounts being deducted. This was because Barclays had failed to send the relevant information to him in braille as he'd previously requested.

Barclays accepted it had provided Mr C with poor service in not carrying out his request to provide all information to him in braille and apologised. In recognition of the distress and inconvenience caused it offered him £500 compensation.

In respect of Mr C's suggestion that if he'd been aware of the costs he'd have invested differently to avoid them, Barclays pointed out that all investment funds incurred product costs at some level. It noted that Mr C had been sent a summary letter following his 2017 annual review in braille that had noted the management charges and relevant percentages. Barclays felt that although this wouldn't have provided Mr C with the clear itemisation of the products costs that was introduced in 2018, it did mean he had been at least made aware in a general sense of costs associated with his investment.

As such, while it accepted its error and the inconvenience it had caused, it didn't feel that Mr C would've invested differently if he'd been made aware of the specific product costs from 2018 onwards.

Mr C didn't accept Barclays' response and referred the matter to this service. But our investigator reached broadly the same conclusion as that reached by Barclays.

The investigator felt the offer of £500 was fair. And while sympathetic to Mr C's situation and recognising the loss of opportunity created by the communication failure, he felt that given Mr C's ongoing objectives for the invested money – aiming to maintain the capital sum while providing an income – it was most likely that he would've remained invested as he was.

Mr C didn't accept the investigator's view. He maintained that he'd incurred a financial loss as result of Barclays' failure and would've invested differently if he'd been made aware of the product costs. He suggested that fixed rate bonds would've been a better option to meet his objectives given the overall impact of the costs on the value of his investment.

Mr C's comments didn't persuade the investigator to change his opinion, so the matter's

been referred to me to review.

### **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.

Having done so, while I recognise Mr C will be disappointed, I've come to the same conclusions as the investigator and for broadly the same reasons.

Mr C's primary concern is that Barclays's failure to keep him fully informed about his investment in the format requested has led to a loss of opportunity for him to properly assess the matter and potentially take a different course of action. As noted, he's of the view that he would've acted to avoid the product costs, so they should be refunded.

I agree that Mr C has lost that opportunity. He could and should have been made aware of all the details of his investment in the appropriate format. It's clearly very disappointing that Barclays failed to carry out his request. I note it provided some information in braille, so it was clearly able to do so, and should've recognised the importance of this for Mr C and ensured there was no issue.

That said, Barclays has acknowledged its error, apologised, and made an offer to Mr C of £500. In all the circumstances, I think this represents a fair and reasonable offer for the loss of opportunity and inconvenience caused to Mr C.

But as I've said, beyond the issue of compensation for inconvenience, Mr C's main concern is with what he feels is a financial loss created by that loss of an opportunity to take a different course of action. I've thought carefully about this point and very much appreciate why he would feel that way. It's entirely understandable that having discovered that a set of costs had been incurred without his knowledge for the last five years, his view would be that, if he had known, he'd have acted to avoid them.

But while I accept that Mr C may well have explored alternatives back in 2018 if he'd become aware at that point of the costs, I'm not persuaded he would ultimately have made any changes to his ISA. Or certainly, it's very difficult now to what they might have been.

I say this because the alternatives would've been unlikely to have put him in a better position. As Barclays highlighted, products costs would've been incurred in any event with any other fund or selection of funds. They may have been slightly lower with a different fund, but I don't think any difference would've been enough to prompt a move away from an investment that Mr C had been happy with up to that point.

And while I note Mr C's suggestion that fixed rate deposits would've been a cost-free alternative, it's important to remember that in 2018 interest rates had been at a historical low for many years, so fixed rate returns would've been very unattractive.

So, on balance, I think the most likely outcome would've been that things would've stayed as they were. As such, I won't be directing Barclays to do anything in addition to making payment of the £500 it has already offered to Mr C.

### **My final decision**

As noted, Barclays Bank UK PLC has already made an offer to pay £500 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays should pay Mr C £500 if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 October 2024.

James Harris  
**Ombudsman**