

The complaint

The trustees of T complain that Barclays Bank Plc trading as Barclays Wealth took too long to complete the transfer of a portfolio held within the trust to a new provider. They feel the transfer was poorly handled, creating various delays, with the primary concern in terms of loss being the length of time the proceeds of the sales made within the portfolio took to be transferred onward for reinvestment.

The trustees also highlighted several other categories of loss – of interest/dividends, distress and inconvenience, time spent in bringing the complaints, fees earned by Barclays during the period in question and interest generally on losses.

The trustees have been represented in bringing this complaint but for ease of reading I've referred only to the trustees throughout.

What happened

The transfer was instigated in conjunction with several similar, linked transfers held in different names (about which separate complaints have been made and considered by this service). The transfers were initially discussed with Barclays in December 2022 but didn't all complete until June 2023, although the timelines for each varied.

The trustees complained to Barclays as set out above, but it didn't uphold the complaint. It felt it had completed the transfer within a reasonable timeframe, albeit slightly increased from normal due to exceptional demand on its service at the time. It said this was because of an unprecedented event, meaning a significantly higher number of transfer requests were received in a short space of time.

The trustees didn't accept Barclays' response and the complaint was referred to this service. It was initially upheld by an investigator, who suggested compensation be paid. But he didn't agree with the method for calculating potential investment loss that the trustees had suggested.

The matter was therefore referred to me to review.

I shared my provisional thoughts on the matter with the trustees. I explained that I'd considered all the available evidence and arguments to decide what was fair and reasonable in the circumstances of the complaint. Having done so, while I also agreed the complaint should be upheld, my view both on the merits and regarding compensation differed from the investigator's view.

I said I appreciated that the transfer process had been lengthy and frustrating. But, looking closely at the chronology of events, it appeared that for various reasons full and complete instructions to transfer weren't received by Barclays until around 10 March 2023. While the process had clearly been instigated by the new provider earlier, there were signature issues with the paperwork related to the transfer and there'd also been a change from in-specie transfer to cash, although I recognised that was prompted by the new provider in response to what it knew of Barclays' resourcing issues.

I said while I could appreciate how on the face of it the time taken to transfer appeared lengthy, the number of days between the receipt by Barclays of a completed, actionable transfer request and the completion of the transfer was around 41 days. At the time Barclays had a normal timescale of 37 days for this type of transfer, so I felt it could be seen that there wasn't a significant deviation from the norm.

I said I appreciated that when the entire process was separated out into each distinct stage potential issues could be highlighted, particularly the time it took to complete the transfers of sales proceeds to the new provider. But I noted that with this type of transfer, involving the sale of many different types of assets, there would've been other factors in play, such as varying settlement periods. I was also conscious of Barclays' comments regarding the resourcing issues. While I agreed that it was reasonable to expect a business in its position to be appropriately resourced, there would nevertheless be occasions when demand peaks and service levels were impacted. I didn't think it was reasonable to expect any business to maintain the level of resource that would ensure there was never any variation in service.

Ultimately, my view was that the transfer was not so out of step with what might normally be expected that any compensation in respect of investment loss was warranted. I thought it was speculative to make assumptions about when various stages in the process might otherwise have occurred – for instance, assuming that all cash transfers should be made seven days after the sales. I agreed that sometimes an element of assumption/speculation was required to put things right where something has clearly gone wrong. But here, finding that transfer time was broadly reasonable, I didn't think it was necessary to introduce the element of speculation.

In respect of the other categories of loss raised, as I didn't think the transfer time was unreasonable, it followed that I didn't feel any award should be made in respect of interests/dividends or fees. I also wouldn't make any award to compensate for time in bringing the complaint, in line with our usual approach.

That all said, I did accept that Barclays generally hadn't covered itself in glory. While, for the reasons given, I didn't think the circumstances warranted compensation for investment loss, I did think a payment to reflect the distress and inconvenience caused by Barclays' various failures of communication, both during the transfer process and in responding to the complaint would be reasonable. So, I proposed that Barclays pay £200 for the distress and inconvenience caused.

The trustees didn't accept my provisional findings. They questioned various aspects, in brief, suggesting that no holdings should've been encashed until Barclays was ready to transfer and it should've been more conscious of the market turmoil at the time. They made a comparison with a related transfer that had been carried out more quickly and questioned the 37-day transfer period Barclays had quoted. They also felt Barclays should've been better prepared for the 'unprecedented' circumstances and not been under-resourced.

I responded to say that I didn't think it was reasonable to expect any business to always remain resourced such that there'd be no variation in service level. I said I was satisfied the 37-day time limit was Barclays' usual service level and was in general keeping with the industry standard for this type of transfer. I also didn't think it was reasonable for the quickest of any given group of transfers to necessarily form the benchmark by which they should all be judged. The transfers linked to this one, while similar, weren't the same.

Following this further correspondence the trustees, while still in disagreement with my provisional findings, reluctantly accepted them. Barclays, while accepting of my conclusions, requested that final decisions relating to all the linked cases be issued.

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, I remain of the view that the complaint should be upheld, for the reasons previously given.

Putting things right

Barclays should pay £200 for the distress and inconvenience caused.

My final decision

My final decision is that the complaint is upheld, and compensation should be paid to T by Barclays Bank Plc trading as Barclays Wealth as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 7 April 2025.

James Harris
Ombudsman