

The complaint

Mr L complained about Barclays Bank PLC (Barclays). He said it made errors when he tried to transfer his stocks and shares ISA uninvested cash to a cash ISA. He said Barclays also didn't respond to his complaint in a timely or helpful manner. He would like Barclays to put things right.

What happened

Mr L has a stocks and shares ISA with Barclays. He transferred £80,000 to this account, and invested £20,000 of it, keeping the rest as cash awaiting investment.

Mr L said he called Barclays on 24 August 2023 to discuss transferring the uninvested cash on his stocks and shares ISA account to a cash ISA, paying at that time 5.5% interest over 2 years. He said the amount of uninvested cash that he held at that time was £59,837.03 and had reduced slightly due to him paying monthly fees.

Mr L said Barclays told him during the phone call on 24 August 2023, that it would send him a form. Mr L said he received a letter from Barclays dated 30 August 2023 and returned the form immediately. He said he then received a reply, dated 8 September 2023, stating that it had received his ISA transfer application. He said he then received a letter dated 21 September 2023, from Barclays saying it had been unable to complete the transfer.

Mr L then tried to follow this up with Barclays and had a difficult time chasing his request with it. He received a call from Barclays saying there had been a mistake from its end and that it had sold his investment and transferred the proceeds along with the uninvested cash. The representative that had called Mr L at this point said he should put in a complaint, so this is what he did. He complained to Barclays to resolve matters.

Barclays said in response on 8 December 2023, that it was upholding his complaint and that it was sorry for the distress and inconvenience that it had caused. It said it realised he had contacted it on a number of occasions, and it had taken a significant amount of time to resolve his complaint.

Barclays said the transfer was originally rejected on 21 September 2023, as it felt there was ambiguity on the form. It said it reinitiated the transfer on 27 September 2023, but it was at this point that it made an error. It said it mistakenly sold Mr L's shares and transferred the proceeds plus his uninvested cash, to a cash ISA.

Barclays said it would reinstate his investment, but it wasn't going to back date any interest payment as it felt the reinitiated transfer took place within 30 calendar days and this was within the scheme rules. It didn't think it was responsible for the failed transfer before this. It said it agreed to credit £300 to Mr L as part of an apology for its error as a gesture of goodwill, along with six months' worth of fees.

Mr L was not happy with Barclays' response and referred his complaint to our service. He told our service that he would like Barclays to back date interest on the cash it transferred to his cash ISA from 24 August 2023 the day he authorised it to make the transfer, to 12

October 2023, the day Barclays said the transfer had been completed. He also asked our service to check whether Barclays had done what it said it would do, correctly. This included the reinstatement of his investment.

An investigator looked into Mr L's complaint. He explained why he felt the initial transfer had been rejected. He said this being that the form was not completed in a way Barclays required. He said HMRC required it that there be no ambiguity about ISA transfer instructions, but he could see that there was on the form completed by Mr L. So, he didn't feel it was unreasonable that the initial transfer was rejected on that basis.

The investigator said Mr L provided a new ISA transfer instruction to Barclays on the phone on 27 September 2023 and it was at this point that Barclays made an error, by selling his investment.

The investigator concluded Barclays made an error in transferring the invested amount when it shouldn't have done. He said though that there was no delay from when Barclays received the correct transfer instruction on 27 September 2023 to the cash amount being received in the ISA account on 12 October 2023. He concluded Barclays didn't need to back date any interest as it had completed the transfer in a reasonable amount of time

The investigator said he asked Barclays to check if it had repurchased the same units that Mr L had previously. Barclays said it hadn't but that it would do this. The investigator said that, if Barclays repurchased the same units that Mr L held before, and paid Mr L £300 for distress and inconvenience then he was satisfied its offer to put things right was fair and reasonable and in line with our guidelines.

Mr L was not in agreement with the investigator's view. He made the following points:

- He authorised a transfer of his uninvested cash in his stocks and shares ISA to a cash ISA in a phone call to Barclays on 24 August 2023.
- He completed a correct and clear ISA transfer form quickly after he received it on 30 August 2023 and sent it back. He said he received notification dated 8 September 2023 that Barclays had received this form. He said it should have processed this and that he and Barclays own banking staff agreed the form was clear.
- He said on reflection, the smart investor team struggled seeing the difference between the uninvested cash being transferred and not all the investment account. He said this may be why he was hesitant putting the word 'ALL' on the form. He said the rejection of the initial form, caused a delay and he has lost interest on his funds because of this reason.

Because the parties are not in agreement, Mr L's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mr L's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons. I will explain why I think Barclays needs to do nothing further here, as it has paid compensation that I think is fair.

The crux of Mr L's complaint is that he thinks Barclays should have accepted his first ISA transfer form. He thinks if it had done this, his cash would have been transferred sooner, and he would have been earning interest sooner.

He thinks Barclays should backdate interest on the cash that was transferred, as if the initial transfer had taken place or sooner than this, on 24 August 2023 when he authorised it.

Did Barclays treat Mr L fairly when it rejected his first ISA transfer form?

First of all, although I have no doubt that the ISA transfer was discussed, and in detail as Mr L has described during a phone call on 24 August 2023. But I don't think the ISA transfer was authorised and accepted by both parties off the back of a phone call conversation, rather its more likely, a conversation took place between Mr L and Barclays, which in turn generated a letter from Barclays that was sent to him with an ISA transfer form attached.

Based on what I have just concluded, I don't think it is fair in the circumstances to say that the ISA transfer started from 24 August 2023 when Mr L picked up the phone and called Barclays to talk about what he intended to do.

Mr L said he completed the transfer form straight away when he received it on or around 30 August 2023. He said he did so in good faith, and was clear in expressing what he wanted which was to authorise moving the uninvested cash to his newly opened cash ISA.

I have no doubt that Mr L completed the form in good faith and did exactly what he described. I have seen the form and can see what he has written. Barclays has on the other hand explained why it rejected Mr L's application form. It said that Mr L didn't complete the form correctly and should have written the word 'ALL', as it stated on the form, to signify that he wanted all of his uninvested cash transferred.

I can see why Mr L has been frustrated with Barclays rejecting his first ISA transfer form and I can also see why he would think the form he completed was clear and showed what he wanted to do, as on the surface of it, it would seem like quite a minor error. That said, I also understand why Barclays wanted to ensure there was no ambiguity in Mr L's transfer instruction and that it would only accept the form if it was completed correctly.

On balance, I can see that there was an error on the form, and Barclays rejected the form on that basis as it said it wanted to be clear about what Mr L's instruction was. I don't think by doing so it was being unfair to Mr L.

Did Barclays delay Mr L's ISA transfer?

Barclays sent Mr L a letter dated 21 September 2023 stating it had rejected Mr L's transfer request. Mr L said he immediately contacted Barclays but was met with a difficult time trying to find out what was going on. It was on 27 September 2023 that a new transfer was initiated, this time successfully and the transfer of Mr L's uninvested cash was sent to his newly set up cash ISA and completed 12 October 2023. I don't think, this revised transfer carried out by Barclays was delayed, having been completed in 16 calendar days, being within HMRC guidance of 30 calendar days for ISA transfers of this kind.

I appreciate Mr L will consider his ISA transfer as being delayed, due to the time taken over the first failed request. But I haven't concluded this was to do with any wrongdoing by Barclays. So, it would not be fair to hold it to account for the time that this took. Instead, I think the successful transfer, started on 27 September 2023, and was completed on 12 October 2023, in good time.

So, it follows, I don't think Barclays ought to have been paying Mr L interest on the uninvested cash until the transfer had been completed on 12 October 2023.

Was Barclays offer to Mr L to put right its mistakes fair?

Barclays did make mistakes when dealing with Mr L's ISA transfer.

Firstly, Barclays mistakenly sold Mr L's investment and initially transferred that along with his uninvested cash. It has admitted it shouldn't have done this. It tried to put things right by reversing the transfer and putting the proceeds back into Mr L's stocks and shares ISA.

The investigator asked Barclays whether it had bought the same units in the same fund that Mr L was invested in, at that time it said it hadn't but would look to do so. Our service has had confirmation from Barclays that it has now done this. If Mr L has any concerns about what Barclays has done here, he should raise this with it in the first instance, but to be clear, it is my understanding that Barclays has bought the *same* units that Mr L held before Barclays made its mistake. Assuming it has done this, it has put Mr L back in a position he was in, but for its mistake. So, I don't require it to do anything further in this regard.

What is left for me to consider is whether Barclays offer, and payment of £300 plus free fees is fair and reasonable. Barclays paid this to Mr L for the distress and inconvenience it said it caused. I can see that it didn't reply to his complaint at times as quickly as it ought to have done. It also, I think, didn't explain clearly from the outset why the first transfer request form was rejected by it. It also made a mistake when it sold Mr L's investment. I think all of this has contributed to causing Mr L stress as he has had to spend time and effort dealing with his complaint.

I have looked at Barclays offer and payment of compensation and consider this to be similar to the award that I would make, after weighing up all that I have just found. I think its offer is a fair one. So, again I don't require Barclays to do anything more than what it has already paid.

I appreciate that my decision will be disappointing for Mr L, and I acknowledge the strength of his feelings in the submissions provided. I'm also sorry to read about his health issues that he has described. I have empathy for him and understand it would have been difficult to deal with the stresses associated with his complaint. But based on everything I have read and the findings I have given, I don't think Barclays needs to do anything further, other than what it has paid already.

My final decision

My final decision is that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 March 2025.

Mark Richardson
Ombudsman