

The complaint

Mrs M complains that Barclays Bank UK PLC provided her with poor service in relation to a maturing fixed rate Individual Savings Account (ISA).

What happened

Mrs M says that she had a fixed rate ISA that was due to mature, and Barclays sent her correspondence giving her options for the maturity. Mrs M says that she opened a new ISA with Barclays and she asked for the ISA to be transferred to that account upon maturity, which Barclays acknowledged. She says that upon maturity, the matured ISA was transferred to a lower interest paying ISA, with Barclays opening another ISA within a few days of her opening one, which she didn't think another ISA could be opened in the same tax year.

Mrs M says she contacted Barclays, and after several times of asking why the funds had not been transferred as agreed, Barclays responded to say that the ISA needed to be transferred to the other ISA before the transfer could take place to the ISA Mrs M opened. Mrs M made a complaint to Barclays.

Barclays upheld Mrs M's complaint and they paid her a total of £150 compensation for poor service. They agreed that it wasn't communicated to Mrs M that her previous ISA would need to be converted into an Instant Cash ISA before the transfer to her new ISA could take place. They said they would credit her with an additional £10.49 of interest to cover the period between the matured funds being paid to the Instant Cash ISA and being transferred to Mrs M's new ISA.

In a follow up response to Mrs M, Barclays admitted they failed to provide Mrs M further assistance in relation to her complaint. Barclays also told Mrs M that as they didn't receive any maturity instruction from her prior to the account maturity, their process is to convert the ISA into an Instant Cash ISA, so they didn't agree they made an error. Mrs M brought her complaint to our service.

Our investigator upheld Mrs M's complaint. She said Barclays should pay Mrs M a further £50 compensation as a letter Barclays sent Mrs M dated 21 May 2024 stated that Barclays didn't receive any maturity instruction from Mrs M prior to the account maturity. But this was incorrect as Barclays confirmed in writing that they had received Mrs M's ISA maturity instructions, and they advised it would be completed on or shortly after 9 February 2024. Our investigator said that this would have frustrated Mrs M and confused matters further.

Barclays asked for an ombudsman to review the complaint. They said the process to move the matured ISA funds was correct, and whilst Mrs M was not aware of their internal process, there was no detriment to her, therefore they considered the amount of £150 for the service overall to be fair and reasonable, but if our service disagreed, it would be helpful if we could explain why, so they could learn from this complaint.

Mrs M said she would like to add that when the funds were moved to the correct account on 13 February 2024, that was possibly as a result of her telephone call to Barclays on that

morning.

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'd like to explain to Mrs M that it is not within this service's remit to tell a business how they should run their ISA maturity policies and procedures. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Barclays to make changes to their policies and procedures, if necessary.

I've considered what Mrs M has said about the funds being moved to the correct account was possibly as a result of her phone call to Barclays. But while I can't rule this out, I do note that the letter Barclays sent Mrs M dated 6 February 2024 states "*We'll transfer your ISA shortly after 09 February 2024*". I can see that 9 February 2024 was a Friday, and the funds were transferred to Mrs M's correct ISA on 13 February 2024, which was two working days later.

So I do think that Barclays acted in line with this letter by transferring the funds shortly after 9 February 2024. And I can only consider what did happen, not what might have happened if Mrs M hadn't rung Barclays on the morning the funds were transferred, so I'm not able to fairly conclude that the funds were only transferred due to Mrs M's call.

But I do think that Mrs M's call to Barclays was a result of it not being clear what would happen with the funds on maturity, even though Mrs M had informed Barclays of her instructions prior to the ISA maturing. Barclays have admitted to Mrs M that their process hadn't been communicated effectively to her.

This set off a chain of events which caused Mrs M distress and inconvenience. I say this as she's needed to make calls and emails to Barclays and raise a complaint which she'd be unlikely to make if the correct process was communicated to her originally. Mrs M may have been fearful that ISA rules were broken as another ISA was open (albeit the ISA contributions transferred into the ISA were from previous tax years' contributions). And Barclays have admitted they provided poor service in how they've handled her complaint.

So I've considered what would be a fair outcome for this complaint. While Barclays have paid Mrs M £150 for what happened, and they've also paid her interest to ensure there is no financial loss, I'm not persuaded this recognises the impact of everything that's happened here.

I say this as it doesn't appear Barclays have taken into account the incorrect information they gave Mrs M in their letter dated 21 May 2024, as I can't see an acknowledgement of this incorrect information or a follow up letter recognising the impact this would have on Mrs M.

The letter states "*as we didn't receive any maturity instruction prior to the account maturity, our process is to convert the ISA into an Instant ISA Issue 1*". So this incorrect information would have caused additional distress to Mrs M at a time where Barclays have admitted multiple service failings to Mrs M. It would have caused confusion to Mrs M as not only does this contradict her earlier letter acknowledging her instructions at maturity, but it gives the impression that the only reason the funds were paid into the Instant Cash ISA is because she didn't give them any instructions.

But regardless of whether Mrs M gave instructions or not (which she clearly did), it's been

established that the maturity funds would have always been transferred into the Instant Cash ISA, and then be transferred to another account based on Mrs M's wishes. So based on all of the circumstances of this complaint, I agree with our investigator that a further £50, to total £200 compensation is more proportionate taking everything into account. So it follows I'll be asking Barclays to put things right for Mrs M.

Putting things right

Our investigator has suggested that Barclays pay Mrs M a further £50 compensation for distress, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint. Barclays Bank UK PLC should pay Mrs M a further £50 compensation for distress.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 25 November 2024.

Gregory Sloanes
Ombudsman