

The complaint

Mrs A complains about the way Barclays Bank UK PLC (trading as Barclays Smart Investor) handled her request to transfer her ISA. She says it caused delays that resulted in her suffering a financial loss.

What happened

Mrs A held a stocks and shares ISA with Barclays, which she decided to transfer to a new ISA manager.

In March, Mrs A initiated the transfer online, and on 10 March 2023, she signed a transfer application, which was sent by her independent financial adviser (IFA) to her new ISA manager.

On 3 April 2023 the new ISA manager sent a copy of the transfer request to Barclays and asked it to liquidate the holdings and transfer them as cash

At the end of April 2023, Mrs A's IFA made attempts to find out why the transfer hadn't completed, contacting both ISA managers and sending a letter to Barclays's CEO asking for help.

Further attempts were made by Mrs A and her IFA to establish what was happening with the transfer over the next few weeks. On 12 May 2023, Mrs A's IFA received an email from the new ISA manager to confirm it had received an email from Barclays rejecting the transfer due to an address mismatch.

On 18 May 2023, Mrs A spoke to Barclays on the phone and clarified the issue with her address, so that the correct address was held on its records as that detailed on the transfer request. Barclays requested that the transfer was submitted again.

Following this Barclays completed the transfer, and the funds were received by the new ISA manager throughout June 2023 over a number of transactions – with the transfer completing on or around 26 June 2023 (less some residual dividend payments that were to be swept up and transferred when available) and settled shortly after.

On 5 July 2023, Barclays sent a letter to Mrs A to say the transfer was now complete and it provided a response to the concerns that had been raised during the transfer process. It said it wasn't responsible for delays and the transfer was set up as soon as it received a valid instruction. But it did offer Mrs A £50 as a gesture of goodwill. She rejected this.

Following this Mrs A made a further request for compensation. She said Barclays had delayed the transfer and this had caused her a loss as she was unable to invest the transferred monies into her intended fund with the new ISA manager – so she had lost out on the investment growth.

Barclays responded but still didn't think it needed to do anything further, or that it was responsible for any delays.

As Barclays didn't resolve the complaint to Mrs A's satisfaction, she referred it to this service for an independent review.

I issued a provisional decision in January 2025. This what I said:

"I've reviewed the evidence provided by both parties to establish whether Barclays is accountable for any delays in the transfer of Mrs A's ISA. From what I've seen, there were delays initially before the transfer progressed as expected.

The first evidence I have of Barclays receiving a transfer request is a letter sent to it by the new ISA manager dated 3 April 2023, providing the transfer form. So, this is the earliest point that I can see Barclays had notice of the transfer. From what I've seen the transfer only started to progress after the 12 May 2023. I've seen an email from the new ISA manager to Mrs A's IFA on this date explaining it had received a rejection email from Barclays due to an address mismatch. So, there is an unexplained period of no progress on the transfer between these two dates.

I've asked Barclays for evidence of the actions it took to progress the transfer (including any interactions it had with the new ISA manager, Mrs A and her IFA) during this period. Barclays responded to say it had been able to locate a letter and Transfer Agreement dated 3 April 2023. But it has no record of any email communications with the other ISA manager in April 2023, and its transfer team had been unable to locate details of any communications between 3 April and 12 May 2023. It said its systems confirm a further transfer request was received on 11 May 2023 and this was automatically rejected due to an address mismatch.

Mrs A has provided evidence of emails sent between her IFA and the new ISA manager from April 2023 and early May 2023 discussing the progress of the transfer. Within these emails there is commentary about Barclays failing to communicate effectively on why the transfer was being rejected. The new ISA manager sent an email to the IFA on 2 May 2023 saying Barclays would not communicate with them, and that a further transfer form was going to be sent. This second transfer form appears to correlate with the 11 May 2023 rejection that Barclays has referred to from its system records. I have also seen evidence of an email to Barclays's CEO sent by Mrs A's IFA on 27 April 2023, expressing frustration with the progress of the transfer and lack of communication from Barclays. This email also expressed concerns about the loss of growth on the funds as they hadn't been reinvested within the new ISA as intended.

I accept Barclays did have reasonable grounds to reject the transfer based on the information it was given in the transfer request, as there was a difference in the address it held for Mrs A on its records compared to the address that was provided by the new ISA manager. But it remains that I haven't seen evidence to show Barclays communicated in a timely manner to explain the rejection of the transfer to allow for clarification and corrections to be made, so the transfer could progress. This only happened on or around the 11 May 2023. It has provided call records of the discussion it had with Mrs A's new pension provider about the address mismatch in April and May 2023, but this is a separate transaction and involved a different business unrelated to the new ISA manager. So, I don't find this supports that it did communicate in an accurate and timely manner on the ISA transfer.

Barclays inability to provide evidence to show how it communicated with the parties involved in the ISA transfer between 3 April 2023 to 11 May 2023, leads me to the conclusion that there has been a failing in its handling of the transfer. The evidence indicates that it is responsible for avoidable delays during this period. Once the reason for rejection was communicated to the relevant parties, the transfer did proceed. I'm satisfied from 12 May 2023, the transfer did proceed in a reasonable manner, and the actions Barclays took after

this time did allow for it to progress, leading to the transfer of funds and completion within the expected time frames for the transfer.

Mrs A has also raised concerns about the emotional and practical impact Barclays's handling of the transfer has had on her. She has explained the lack of communication meant she had to spend time chasing things up and was left unaware why the transfer wasn't progressing. For the reasons I've already explained, I think there were failings in the way Barclays handled the transfer, and this did impact Mrs A. Barclays did offer £50 in compensation to Mrs A as a gesture of goodwill. But I don't think this amount fairly compensates her for everything that happened. I think an increased payment is warranted for the distress and inconvenience Mrs A has suffered due to Barclays handling of the transfer."

Mrs A responded to confirm she accepted the provisional conclusions. She provided confirmation that the fund her ISA was due to be reinvested in was the Prudential PruFund Growth Fund. She has also provided evidence of three contract notes to show when her transferred funds were re-invested using valuation dates in June 2023.

Barclays responded to confirm that its records show it received the transfer authority formed dated 3 April 2023 on 12 April 2023, but it took until 11 May 2023 for it to reject this. It said this should've been reviewed and rejected within five working days after receipt. It accepted it had caused delays in the transfer progressing and acknowledged it's regrettable this wasn't identified sooner.

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.

Mrs A accepted my provisional findings, and Barclays has now accepted that it is responsible for causing delays in the ISA transfer. So, I haven't received substantive arguments or evidence that have led me to change the basis of the outcome I set out in my provisional decision.

I note Barclays has indicated it didn't receive the transfer authority until more than a week after it was first sent. I haven't seen evidence to understand why it took so long for it to be received, or whether there were delays in processing that meant Barclays recorded the receipt late. It has also suggested it should have rejected the transfer within five days of receipt. It appears the issues that caused the rejection, were not complex but rather came down to an address discrepancy, which was identified and automatically rejected when the transfer was re-sent on 11 May 2023. So, this suggests the rejection could have been communicated quickly after the request was first sent in early April 2023, had it been picked up without delay.

On balance, I'm satisfied the length of delay I identified in my provisional conclusion, is still a fair and reasonable assessment of the situation, and a basis for calculating if Mrs A has suffered a loss due to the delay.

In conclusion, for the reasons explained in my provisional decision and those above, I find Barclays is responsible for causing avoidable delays in the transfer of Mrs A's ISA. So, I uphold this complaint and require Barclays to put things right for Mrs A.

Putting things right

I've considered what Barclays needs to do to put things right.

Mrs A has claimed losses on the growth of her investment due to the delay in the transfer. She has confirmed the funds were intended to be reinvested in the Prudential PruFund Growth Fund, and this is where they were invested (in three transactions) when the transfer completed.

From the evidence provided, I find that there was an avoidable delay of 27 working days, which Barclays is responsible for. So, Barclays needs to calculate whether Mrs A has suffered a loss as a result of this delay.

To do this:

- Barclays should compare the position Mrs A would be in if the investments held in her ISA had been sold 27 working days sooner and the proceeds reinvested in the above fund with the new provider in line with this timescale.
- Barclays should determine the number of units the reinvestment of the proceeds would have bought if the transfer had completed 27 working days earlier and if that number is greater than the number of units Mrs A did purchase, it should pay to her an amount in cash equivalent to the current purchase price of the additional units.
- Barclays needs to confirm it is able to credit any loss to Mrs A's ISA as a restitution payment and transfer this cash to her new provider. Doing so will ensure the sum will be retained within the ISA wrapper. It should add the cash amount, equivalent to the value of any additional units Mrs A would've purchased, to her Barclays ISA and transfer this to the new provider.
- Barclays must also pay Mrs A £200 for the distress and inconvenience the matter caused her.

My final decision

My final decision is that I uphold Mrs A's complaint and I direct Barclays Bank UK PLC to pay the compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 19 March 2025.

Daniel Little
Ombudsman