

The complaint

Mr S complains that Barclays Bank UK PLC transferred funds from his personal account to the wrong bond account.

What happened

Mr S is party to several fixed rate bond accounts with Barclays. These include a bond in his personal name (ending 5723), a bond in joint names with Mrs S (ending 2678) and a bond that is held in multiple parties' names (ending 6767).

In August 2024 Barclays wrote to Mr S to remind him that bond 6767 was due to mature in September 2024. Around the same time Mr S visited a branch to discuss investing a further £16,000 of his personal money into an existing bond.

In September 2024, Barclays transferred £16,000 from Mr S' personal account to top up bond 6767. And a welcome letter was sent to Mr S on 13 September 2024 to confirm the new Bond amount - £23,000, and an interest rate of 4.65% until 11 September 2025. Mr S contacted Barclays in December 2024, saying £16,000 had been transferred to the wrong bond as bond 6767 wasn't his personal money.

Barclays looked into what had happened. But it said it was unclear if Mr S had given the branch the wrong instructions or if the branch had selected the wrong bond to transfer the funds to in September 2024. So, it gave Mr S the benefit of doubt and transferred £16,000 from bond 6767 to bond 2678. As this happened after bond 2678 had matured and rolled over, Barclays sent a letter to confirm the transfer. But after realising the rate on bond 2678 was 3.9%, Mr S asked for £16,000 to be transferred from bond 2678 to bond 5723 (which wasn't due to mature until 2025) as the interest rate was 4.45%.

In responding to the complaint Mr S had raised about the matter, Barclays said - in a final response letter dated 31 January 2025, that it had requested the funds to be moved to bond 5723 as Mr S had requested. And it paid Mr S £277 – the amount of interest the funds would have earned in bond 5723 between 12 September 2024 and 31 January 2025, and £100 compensation.

Mr S didn't agree with the outcome, and he referred his complaint to this service. One of our investigators looked into what had happened. He noted that there was no documentary evidence to confirm whether Mr S had given the wrong instruction or if Barclays had made a mistake. But as Barclays had given Mr S the benefit of doubt, he thought Barclays should increase the interest payment it had made to a total of 8%.

Barclays accepted this recommendation, but Mr S didn't agree with it. He said the compensation offered didn't reflect the shock and anxiety caused when he thought his money had gone missing. As agreement wasn't reached the complaint was passed to me and I issued a provisional decision.

My provisional decision dated 22 April 2025

Mr S raised his concerns about his £16,000 deposit in December 2024 and ultimately, Barclays accepted responsibility for the funds being transferred to the wrong bond (6767) in September 2024. It transferred £16,000 to bond 2678, in January 2025 when it reviewed Mr S' complaint.

Mr S subsequently asked for the funds to be transferred to bond ending 5723 and Barclays had indicated this was something it would do (in its final response letter dated 31 January 2025). But I've seen this didn't actually happen – the funds have remained in bond 2678. So, I've initially considered whether the action Barclays has taken here is fair. Or if it should transfer the funds to bond 5723.

I've seen that bond 5723 was opened in July 2024. The terms and conditions relating Barclays' bonds (which can be viewed on its website) say that additional funds can't be added during the fixed term of a bond. So, by August 2024 – when Mr S visited the branch to discuss investing an additional £16,000, it was too late for Mr S to deposit additional funds in bond 5723. And as it this bond doesn't mature until July 2025, I'm not persuaded that Mr S' visit to the branch was to top up a bond that wasn't due to mature until a year later. So, I don't find Barclays has acted unfairly in not transferring £16,000 to bond 5723.

In August 2024, apart from bond 6767 - which Mr S said he didn't intend the funds to be transferred to, the next bond due to mature was bond 2678. If Mr S didn't instruct Barclays to transfer his funds to 6767 and given what I've said above about bond 5723, I think it's most likely that bond 2678 is where Mr S intended £16,000 to be transferred to. As Barclays transferred £16,000 from 6767 to 2678 after it looked into Mr S' concerns, I'm persuaded Barclays' actions here to be fair.

I've gone on to consider whether Barclays has put right any financial loss Mr S incurred when it transferred the funds to bond 6767 in error. As mentioned above, when Mr S visited the branch – apart from bond 6767, neither of the bonds that held his personal money were due to mature. The bond due to mature the soonest – in January 2025, was bond 2678. As I haven't seen anything to suggest that Mr S intended to open a completely new bond, I'm persuaded his £16,000 would have remained in a current account until January 2025. However, due to Barclays' mistake, Mr S' £16,000 earned interest (all be it in the wrong account) from September 2024 – January 2025 at an interest rate of 4.65%. So, I'm persuaded Mr S has benefited because of Barclays mistake.

And, as the funds were then transferred to the bond I've found to be most likely where Mr S intended the funds to go in January 2025, his £16,000 has been earning the right amount of interest to which he is entitled. So, overall, I don't find that Mr S has suffered a financial loss. I've seen Barclays paid Mr S £277 – the interest £16,000 would have earned had the funds been placed in bond 5723 from September 2024 to January 2025. But as mentioned above, I've found that Mr S would never have been able to top up bond 5723 in September 2024 and he has benefitted from receiving interest on the funds while the funds were in bond 6767. So, I find Mr S wasn't entitled to this additional £277 payment. So, I've taken this into account when considering the compensation paid by Barclays.

I know Mr S says he was in shock as he didn't know where his funds had gone. But as mentioned above, Barclays provided a letter in September 2025 which explained that the funds had been placed in bond 6767. While this was the wrong bond, I find Mr S ought reasonably to have known that his money wasn't lost. And from what I've seen, when he contacted Barclays about the matter in December 2024, Barclays was able to explain what had happened.

Barclays has paid Mr S £100 compensation. But when considering it has also paid him £277 (the interest payment I've found he wasn't entitled to), I think the overall amount paid to Mr S - £377, is fair given all the circumstances of this complaint.

Overall, I find that Barclays has done enough here to put things right. As such, I'm not intending to tell Barclays to take any further action in respect of this complaint.

Responses to my provisional decision

Barclays acknowledged receipt of the provisional decision and confirmed it had nothing further to add. Mr S also acknowledged receipt the provisional decision. He said he wasn't entirely happy with it reiterating that it had been a big shock to him as he thought his money had been lost. But ultimately, he confirmed acceptance of the provisional decision.

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.

As neither party has provided any new evidence or comments for me to consider, I see no reason to depart from the outcome I reached in my provisional decision as set out above.

But I'd like to reassure Mr S that I did consider his comments about the shock he experienced when he thought his money had been lost when I issued my provisional decision. But when deciding if further compensation was due, I also had to take into account that Barclays had provided Mr S with a letter in September 2025 which explained that the funds had been placed in bond 6767. And while I acknowledge this was the wrong bond, I find Mr S ought reasonably to have known that his money hadn't been lost.

So overall, I'm satisfied that the payments Barclays has already paid to Mr S (£377 in total) is fair in all the circumstances of the complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 June 2025.

Sandra Greene
Ombudsman