

The complaint

Mr W complains that Barclays Bank UK PLC allowed a transfer of his ISA even though he had expressly said it should not do so. He says too that the bank did not do enough to recover his money.

What happened

Mr W had a cash ISA with Barclays. It was due to mature in February 2025. Mr W decided to transfer it to a different provider and gave instructions for that to happen. Before the transfer was due to be completed, however, Mr W changed his mind. He contacted Barclays to say that it should not act on any transfer request from the new provider.

Barclays, however, did arrange for the transfer to be completed. It acknowledged its error and contacted the new provider, seeking the return of the funds. They were returned and credited to Mr W's ISA on 25 February, having been transferred from Barclays on 12 February. Barclays added the missing interest and offered Mr W £50 by way of compensation, which it later increased to £100.

Mr W remained unhappy and referred the matter to this service. In an attempt to resolve things, Barclays increased its offer to £150. Mr W did not accept it, and the investigator reviewed the case. Having done so, he recommended that the bank pay Mr W a further £100, bringing the total to £200. The bank accepted the investigator's recommendation, but Mr W did not. He said he thought the bank should pay £1,000 and be fined. He asked that an ombudsman review the case.

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.

There is no real dispute about the key facts in this case. Barclays made an error. It accepted almost immediately that it had done so and took steps to remedy the situation – by recalling the payment, crediting Mr W's ISA and paying the interest which he had lost. And it offered compensation in recognition of the inconvenience to which Mr W had been put and the distress he had suffered.

The primary issue I must consider is therefore whether the bank's current offer of a further £100 is fair. In my view it is. Total compensation of £200 is in line with our published guidelines for non-financial loss. Payments in recognition of distress and inconvenience are not intended to punish financial businesses, and this service has no power to levy fines. I note that Mr W believes that, but for his action in contacting the new ISA provider, funds would not have been returned. I can see however that Barclays took the necessary steps to recover Mr W's money. It is unlikely that further steps (such as telephone calls) would have made any difference to the speed with which the money was returned – indeed, they might even have caused delays. Funds were returned within the timeframe I would usually expect. Mr W is also very critical of the recipient of the money, which in my view is not consistent with his claim that it returned funds on the day of (and because of) his phone call.

Mr W is also critical of the bank's handling of his case, and particular its telephone contact. I have found however that call handlers were polite and understanding of his situation.

Putting things right

I note that the bank has agreed to the investigator's recommendation that it pay Mr W a further £100. I will however make a formal award, so that he can enforce it if necessary.

My final decision

My final decision is that, to resolve Mr W's complaint in full, Barclays Bank UK PLC should pay him a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 October 2025.

Mike Ingram

Ombudsman