

The complaint

Mr G complains about the customer service he received from Barclays Bank UK Plc ('Barclays') when he attempted to transfer out his ISA to another financial institution.

What happened

Mr G made a request via another financial institution, I'll call 'A', to transfer his Cash ISA from Barclays to A. Barclays received this on 23 December 2024, its automated fraud system flagged the request for a manual review and it automatically applied blocks to Mr G's accounts, including his current account.

On 26 December 2024 Barclays texted Mr G to let him know it had applied blocks to his debit card, and it also blocked his access to online banking. He phoned Barclays but was advised he'd failed security, and that he'd need to attend branch with ID to resolve the issue.

Mr G attended branch the next day, passed security and was told the payment he was being asked about when he'd failed security was his ISA transfer. The blocks were removed but by this time the transfer request had been rejected. Mr G says he was then told by the fraud advisor he spoke with that he needed to initiate his ISA transfer via Barclays not with A. Mr G sought assurances that his transfer request wouldn't be blocked again and was told there was no way Barclays could guarantee this.

Mr G re-requested the ISA transfer via A and Barclays received this on 3 January 2025.

On 5 January 2025 Mr G contacted Barclays again when he noticed in his Barclays app that the amount it said he'd contributed to his ISA was incorrect. Mr G was particularly concerned by this given his transfer was in process. On 6 January 2025 Barclays agreed the amount was wrong and said it would be adjusted within three working days. On 9 January 2025 the app was updated but the amount Mr G had contributed incorrectly included the interest he'd earned. Mr G then approached A, as he'd lost confidence in Barclays, and A confirmed Barclays had communicated the correct amount despite what the Barclays app showed.

Mr G complained to Barclays about his experience. Barclays partially upheld this complaint agreeing that it had provided incorrect information at various points. However, it said that it had correctly referred Mr G to branch because he'd failed security and confirmed it was unable to guarantee the transfer wouldn't be blocked once again. It offered Mr G £200 for the inconvenience caused.

Mr G didn't think this was enough. He brought his complaint to our Service. His submissions included the following key complaint points:

1. Barclays was misleading in the questions it asked on the phone on 26 December 2024 and this was the reason he failed security.
2. The process in branch simply involved phoning the fraud team – it is unacceptable this process couldn't have been completed remotely given he could have submitted his ID via a mobile device.

3. He was incorrectly advised that he had to initiate the ISA transfer process via Barclays.
4. Barclays told him it couldn't guarantee a further ISA transfer wouldn't be similarly blocked.
5. Barclays' system displayed incorrect information regarding how much he'd contributed to his ISA in the current tax year and he then had to raise this with Barclays more than once in order for it to look into the problem. Mr G didn't feel Barclays had dealt with the issue proactively, that he'd had to push to have it investigated and that Barclays took too long to fix the error.

Mr G said he was forced to spend a significant amount of time dealing with the ISA transfer due to the series of errors made by Barclays. He said that as a consequence, he'd lost out on over £2,000 of wages (including the time and resource spent raising his complaint with our Service but excluding the time spent on what Mr G considered reasonable initial interactions) as well as having been caused emotional distress.

Our Investigator looked into the complaint and was of the opinion that the £200 Barclays had offered Mr G was reasonable in the circumstances.

Mr G disagreed and asked for an Ombudsman to consider the complaint. He made a number of further detailed submissions. This included the fact that he'd not received any explanation as to why inaccurate balances were reported nor any accountability beyond dismissing it as a poor customer experience. He said this minimisation ignored the fact Barclays breached its statutory obligations and that this went beyond a customer service issue.

Mr G also provided a number of references for decisions from our database, highlighting that decisions recognise the financial impact when bank errors force customers to spend time and resources correcting issues.

So, the complaint was passed to me to decide. After reviewing things, I was minded to reach a different outcome to the Investigator so I issued a provisional decision to both parties. In brief, I said that I thought the branch visit and the additional ISA transfer request were avoidable and that mistakes had been made with his ISA reporting. I didn't feel it was fair, based on the available evidence, to award for financial loss but I thought a total award of £300 for the distress and inconvenience caused was reasonable in the circumstances.

Barclays accepted my provisional decision. Mr G provided further representations, these included:

- Clarifying that he has never argued Barclays should not have checks in place. But he is complaining that once he attended branch, verified himself and the genuine transaction, Barclays failed to take reasonable steps to reduce further friction or apply appropriate human review.
- He disagrees with the suggestion that Barclay's handling of his concerns about the incorrect ISA reporting was reasonable on the basis of the three working day response period. To assume Barclays would have resolved matters without Mr G's chasers is speculative, particularly in light of the accepted pattern of errors that were only corrected after Mr G flagged them.
- Mr G argued Barclays' errors had caused him demonstrable financial loss. Mr G noted he was an independent contractor and when time is lost due to errors requiring immediate attention, income is lost. Mr G said he'd provided evidence of his pricing

structure, offered anonymised payment evidence and explained why client-identifying documents couldn't be disclosed. He said he'd been provided with no guidance as to what form of evidence would be sufficient.

- The provisional decision suggests that not all of Mr G's free time would necessarily have been spent working with clients – this doesn't reflect what actually occurred. The most significant time Mr G lost was not passive waiting on chat responses, but active time spent identifying discrepancies, collating figures for Barclays, attending branch and escalating repeated reporting errors. Acknowledging wasted time, whilst dismissing its economic relevance on the basis not all free time is billable, leaves a gap in the impact analysis.
- Mr G disagreed that he could have mitigated his loss by fitting enquiries around work. He said he did mitigate loss by using chat wherever possible and avoiding unnecessary calls.

I'm now in a position to issue a final decision on this complaint.

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've carefully read the detailed submissions both parties have sent this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the heart of the matter, rather than considering every issue in turn.

I think it would be helpful to make clear that it is not our Service's role to regulate businesses, this is the role of the FCA, and so we wouldn't punish a business for its error. Our role is to consider the specific complaint and where we identify errors, consider how we can best try to put the consumer back into the position they would have been in had errors not occurred. Whilst I note Mr G has highlighted other decisions and situations where compensation has been paid, each complaint is considered on its individual merits. I would also like to make clear that the level of compensation that an Ombudsman considers appropriate is not based on the nature (or seriousness) of the error made by the business but on the impact of that error on the customer. And whilst our Service does consider a consumer's particular circumstances when reaching a decision, we do not base our payments for inconvenience on the individual's hourly rate.

The 26 December 2024 call and branch visit

Having listened to the call from 26 December 2024 I agree that the questions that were asked of Mr G were very broad and potentially misleading. Mr G passed security with Barclays but what he failed to do was identify the ISA transfer as a large payment he'd authorised in response to the questions he was asked by the advisor. But the Barclays advisor focused on the current account with the security questions and then asked about payments Mr G had tried to make recently. Mr G had recently made a large payment from this current account, so he focused on this (understandably). And I don't think the Barclays advisor did enough to phrase the question in a way that would have made Mr G consider his ISA transfer ie. ask him about other large transfers in addition to the one mentioned by Mr G; or stress this was across any of his accounts; or provide any timescales for the transaction they were interested in. I also think talking about this as a 'payment' he had made would have ruled out the ISA transfer in the average consumer's mind as Mr G didn't actually make this payment, he requested another bank initiate a transfer. There was also a gap of weeks

between the initial transfer request and this block. So, I think it's difficult to see how Mr G would have known he was being asked about the ISA transfer. Which means I don't think Barclays did enough in this call to help Mr G provide the information he needed to. And had the advisor asked clearer questions, I think Mr G would have likely been able to answer the questions to Barclays' satisfaction and have the block removed given he later did this when he was asked clearer questions in branch.

In reaching this conclusion I have thought carefully about the breakdown in communication that occurred toward the end of this call, but it seems to me this happened in response to Mr G being told he would have to attend branch. And so, I'm not persuaded this would have happened had the questions from the Barclays advisor been clearer.

This means I think the branch visit here could have been avoided. I also note that the ISA transfer request was cancelled following this call and I think if it had been handled better, then this wouldn't have happened either. This means I think Mr G could have avoided having to re-request the ISA transfer and I think the ISA transfer would have happened earlier. I note the actual transfer occurred on 13 January 2025 (five working days from when Barclays got the paperwork it needed from A). But I think it likely would have occurred around 3 January 2025 (five working days from the call Mr G had with Barclays verifying the transaction as genuine) – so ten days earlier. Mr G has said there was no financial loss from this delay. But it caused Mr G both distress and inconvenience. I'll consider this further later on in this decision.

I also accept Mr G's testimony that he was incorrectly told by one staff member that he'd need to initiate his second ISA transfer via Barclays. I don't think this caused any inconvenience, given Mr G clearly knew this was incorrect and the other Barclays staff member agreed shortly thereafter. However, I do think this caused Mr G frustration, impacting his confidence in Barclays.

I am aware Mr G thinks it is unfair that Barclays said it couldn't guarantee it would not block his ISA transfer request once again given he had verified this as genuine. But I note the ISA transfer requests are reviewed automatically by Barclays automated fraud prevention system. Barclays' advisors cannot stop the automated system from reviewing payments, nor can they stop the automated system from blocking certain payments. So, Barclays wasn't able to provide Mr G with this guarantee, regardless of the fact it now knew Mr G's new ISA request was genuine. Whilst I understand blocks to genuine payments can be frustrating, particularly when verification has already taken place as it had here, I'm satisfied the automated blocking system that Barclays uses is a reasonable measure put in place to safeguard its customers and meet its legal and regulatory obligations. I appreciate Mr G feels Barclays should have been able to reduce friction and arrange a human review of the request. But Barclays has made a decision to automate these security protocols. And I wouldn't say this was unreasonable.

Mr G's ISA reporting

Barclays also clearly made errors in Mr G's ISA reporting, and it accepts this. There was the initial error in the amount shown. Barclays then changed this but still arrived at the incorrect amount and then it reported this incorrect figure to A. I also acknowledge these further errors prolonged the overall resolution of this issue for Mr G. But Mr G has also said he was unhappy with Barclays' resolution time of 3 working days for the ISA query he raised – he said this was unacceptable given the scale of the error. Mr G was understandably worried about the incorrect information given his upcoming ISA transfer, but I think Barclays logged his concerns with the relevant team the same day and it explained it has a three working day response period. And I don't think this is an unreasonable timeframe. I'd also observe Mr G received his response within this timeframe, and whilst this was in response to a message

he sent, I've seen nothing to suggest Barclays wouldn't have responded but for the chaser Mr G made. Whilst Barclay made a number of errors here, this doesn't mean I'm persuaded it would have ignored or delayed its response to the enquiry it had clearly logged for Mr G.

Mr G has stressed that this inaccurate reporting was a significant breach of Barclay's duties and responsibilities, and he feels this was illegal. I'd like to be clear that it's not my role to determine if Barclays has broken the law – that would be for a court. It is also not my role to punish businesses, my role is to consider the impact of these errors on Mr G. I would also note the errors were rectified by Barclays prior to the end of the financial year so they didn't cause Mr G tax issues. However, I do accept that in the context of his upcoming transfer, these errors would have been more concerning for him given the tax implications incorrect reporting can have. It's also evident that Mr G spent additional time raising these issues with Barclays and then with A.

Impact

Barclays has already offered Mr G £200, but Mr G didn't feel this was sufficient. Mr G feels he lost out financially due to the time spent dealing with his complaint. He said this was time he otherwise would have spent working, which Mr G felt was around eight hours. Mr G has also highlighted that this was not time spent on unavoidable interactions, such as calling following the initial blocks, but on interactions that ought not to have been necessary.

As outlined by our Investigator, whilst we consider individual circumstances, we do not award for inconvenience on an hourly rate as we do not place any one individual's inconvenience higher than another's. We also don't award for hypothetical loss, so I would need to consider what evidence is available to support Mr G's testimony that there was a financial loss caused by Barclays errors. We would also expect a consumer to take reasonable steps to mitigate their losses ie. to take steps to fit these enquiries around work.

Mr G has explained that he is an independent contractor so does not work fixed hours, nor does he operate within a structured day with pre-set availability windows. Mr G said his income is directly tied to his availability and so there was no practical way to 'move' his consulting work into evenings or breaks without impacting output to clients. He said due to strict confidentiality agreements he couldn't share details of any contracts, meetings etc he may have had during that time. But he was able to share his pricing information.

I don't doubt that Mr G lost time dealing with this issue, but I am not persuaded here that the time spent, given its duration and when it occurred, was so significant that I could fairly conclude, on the basis of the available evidence, that it caused Mr G demonstrable financial loss. I have thought about the fact Mr G has said the majority of the time wasted was in identifying discrepancies, collating figures for Barclays, attending branch and escalating repeated reporting errors. I also note all of the conversations Mr G had with Barclays following his branch visit were on the chat and there were periods where Barclays was awaiting responses from Mr G, or when Mr G was awaiting a response from Barclays (and could set push notifications), which indicate these chats didn't require his undivided attention. Mr G has highlighted this was him attempting to mitigate the impact and I acknowledge this.

I appreciate Mr G is a contractor and that his free time can be spent working with clients, but I maintain that this doesn't mean all of his free time would have been spent working with clients, or that the time he had to spend dealing with Barclays errors couldn't have been worked around his work commitments. It seems to me that the piecemeal nature of these errors would have lent itself to being dealt with around work commitments. And whilst the branch visit would have taken some time, I have seen no evidence Mr G was required to cancel or decline work due to his branch visit, or indeed any other error of Barclays, despite

explaining this is the sort of evidence that would support Mr G's testimony. I appreciate the fact Mr G has explained he is limited due to confidentiality in what evidence he can provide, and I've considered this, but it is difficult for me to fairly conclude that it is evident Mr G lost out financially without this when I consider the scale, timing and nature of the errors here. I appreciate the multiple errors had a cumulative impact and I'd like to be clear that this doesn't mean I have ignored the inconvenience caused by this wasted time, indeed I've factored it into the award I've made below.

For the reasons outlined above, I am not making an award for financial loss here. However, I do recognise that Mr G has been caused avoidable distress and inconvenience.

I have outlined above all the ways in which I think Mr G has been caused both distress and inconvenience. I think the number of errors compounded the impact on Mr G and I don't doubt he'd lost confidence in Barclays by the end of his interactions. Taking this into account, and keeping in mind our award brackets as outlined on our website, I think a total award of £300 more fairly reflects the distress and inconvenience this caused to Mr G.

My final decision

My final decision is that I uphold this complaint. I direct Barclays Bank UK Plc to pay Mr G £300 in total for the distress and inconvenience caused by its errors.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 February 2026.

Jade Cunningham
Ombudsman