

The complaint

Mr J complains that Barclays Bank UK PLC opened an incorrect Individual Savings Account (ISA) in April 2023 which meant he could not make any further payments resulting in a loss of interest.

What happened

Mr J says he asked Barclays to open a fixed rate ISA on 3 April 2023 but it opened an instant ISA. He says he invested £20,000 before the expiry of the 2022/2023 tax year but due to the mistake says he couldn't invest into an ISA in the 2023/2024 tax year. Mr J says he lost out on about £800 interest. He says in November 2024 he went into a Barclays branch and staff members confirmed it had made a mistake which meant he could not invest in the 2023/2024 tax year. Mr J would like the interest refunded.

Barclays accepts it opened the wrong ISA but says it did then open the correct account in the correct tax year. It says Mr J didn't fund his ISA in 2023/2024 but that he could have. Barclays says it will offer Mr J £150 compensation for the mistake and inconvenience caused in addition to £25 compensation already paid.

Mr J brought his complaint to us and our investigator thought Barclays had made a fair compensation offer. The investigator thought Barclays records showed whilst a mistake was made the correct ISA was opened in the tax year 2022/2023 which would have allowed Mr J to make further payments in 2023/2024. The investigator didn't think it possible to say what took place in the Barclays branch in November 2024 which was outside the 2023/2024 tax year in any event.

Mr J doesn't accept that view and says there ought to be a record of the conversation in branch that took place in November 2024.

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.

Having done so I have come to the overall conclusion that Barclays has not prevented Mr J from investing in his ISA in the 2023/2024 tax year.

There is no doubt that Barclays made a mistake by opening the wrong type of ISA. I have no doubt that caused Mr J distress and inconvenience in sorting matters out. But I can see that Barclays has apologised and offered a total of £175 compensation. I don't think Mr J suffered any financial loss for the reasons I will explain, and I don't think the mistake justifies greater compensation.

The main part of this complaint is the compensation of £800 Mr J says he is entitled to as Barclays advice meant he could not invest in the 2023/2024 tax year.

I have looked carefully at Barclays records and can see that it did open the correct ISA in the

2022/2023 tax year. I also think that Mr J ought to have been aware of that as his account statement confirmed that. And that it was up to him to make any payments into his ISA in the 2023/2024 tax year. I have not seen any evidence that Barclays prevented him from doing so or gave him any misleading information in that tax year. So, it follows that I don't think Barclays made a mistake or acted unfairly and that it isn't responsible for any interest loss Mr J says he suffered.

I appreciate Mr J says he attended a Barclays branch in November 2024. I have no reason to doubt that meeting took place. But I can't be sure what exactly was discussed or what if anything Barclays accepted making a mistake about. The important point is that by that stage the 2023/2024 tax year had ended, and so Mr J couldn't have made any payments into his ISA for the previous tax year in any event. I think it likely that Barclays at that time would have accepted that it made a mistake in the opening of the incorrect ISA.

Overall, I accept Mr J may have thought he was unable to make any payments into his ISA in the 2023/2024 tax year, but I have not seen evidence that Barclays prevented him from doing so or made a mistake.

If Mr J wishes to accept Barclays compensation offer of £150 then he will need to contact it. I appreciate why Mr J has been reluctant to do so.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 November 2025.

David Singh
Ombudsman