

The complaint

Ms A complains about the service she received from Barclays Bank UK PLC trading as Tesco Bank ("Tesco") when it failed to carry out her replacement product instructions for her cash ISA promptly and correctly resulting in a delay in the new product being set up and loss of her current tax year's ISA allowance.

What happened

Ms A held an Instant Access Cash ISA which she had made contributions to in both the previous (2024-2025) tax year's ISA allowance and the current (2025-2026) tax year's ISA allowance.

The cash ISA had benefited from a bonus interest rate of 3.03% for the first twelve months in addition to a variable interest rate of 1.05%. Following the anniversary of its opening after the interest rate dropped to 1.05% Ms A phoned Tesco on 1 September 2025 to ask it to move her cash ISA to a new product of the same type so she could benefit from a similar bonus interest rate for another year.

Despite contacting Tesco on multiple occasions Tesco didn't seem to be progressing with the ISA transfer and being unhappy about the delays and service she'd received Ms A raised a complaint with Tesco and then following not receiving an adequate response, Ms A brought her complaint to this service.

Tesco explained that the only way Ms A could again benefit from a bonus interest rate would be to transfer Ms A's cash ISA to a new cash ISA and it would involve cash ISAs being set up using both previous (2024-2025) tax year's ISA allowance and the current (2025-2026) tax year's ISA allowance to match the years in which Ms A's contributions had been made.

Tesco issued its final response on 24 October 2025 and acknowledged that the move of Ms A's cash ISA to a new Instant Access Cash ISA ought reasonably to have been completed much sooner and it ought to have been on or around 4 September.

Tesco confirmed a new Cash ISA had been opened on 22 October 2025 and compensated Ms A 3.03% interest for 49 days from 4 September 2025 to 22 October 2025 on the balance of £19,710.42 held in her existing ISA totalling £80.18.

Tesco said that any delay in the transfer of her ISA beyond 22 October would also be compensated for by backdating to the setup of the new product on 22 October 2025 and paying interest, including the bonus rate from that date.

Tesco also paid Ms A £100 compensation for the distress and inconvenience caused.

Within Tesco's final response letter, it incorrectly stated that because Ms A had active ISA subscriptions for the 2025-2026 year with her existing ISA it meant she will only be able to transfer existing funds into the new account and not deposit any new money and confirmed she could call it to proceed with the ISA transfer.

But following a review of this on 12 November Tesco said this was incorrect.

Ms A was concerned that as Tesco had opened a new ISA – rather than transferring her existing ISA – she would lose her 2025-2026 ISA allowance and wouldn't be able to contribute to the new ISA until the following tax year.

One of our investigator's looked into Ms A's concerns and thought that Tesco had correctly started the cash ISA transfer process by setting up new cash ISAs covering both the 2024/2025 and 2025-2026 tax years and because Ms A had made contributions covering both tax years they didn't think Ms A had lost her 2025-2026 ISA allowance.

And as they thought Tesco had done what it needed to do to make good Ms A's loss caused by the delay in setting up the new ISAs by paying her interest for this and agreeing to backdate the transfer of her funds in to 22 October 2025, they didn't think there was anything more Tesco needed to do.

Unfortunately, despite chasing Tesco regarding the ISA transfer into the newly set up cash ISA there were further delays and it took until 13 January 2026 for the transfer of Ms A's cash ISA to be completed.

Tesco say that the delays were due to Ms A not confirming she wished to complete the transfer of her ISA after it issued its final response.

Ms A says she phoned and emailed Tesco many times to chase the transfer before referring her complaint to this service. Ms A says as she believed she'd been given incorrect information about whether she could make further contributions to her ISA she didn't confirm with Tesco she wanted to go ahead with the ISA transfer until she was sure she could continue to contribute to it.

As Ms A remained dissatisfied our investigator looked again into Ms A's concerns.

Our investigator thought that if Tesco had provided Ms A with correct information about future contributions for the 2025-2026 tax year that Ms A would've confirmed she was happy to go ahead with her cash ISA transfer and that further delays would've been avoided. To compensate for this and the delays experienced after 22 October 2025 they thought Tesco should pay a further £100 for the distress and inconvenience caused.

Ms A confirmed her acceptance of this but Tesco doesn't.

Tesco acknowledged that it initially provided incorrect information but says as this was confirmed soon after that from that point on the delay was due to the ongoing investigation with this service and it wouldn't take any action until a decision is reached which the consumer has agreed to.

Tesco acknowledges that there were questions raised over the 2025-2026 ISA subscription but says that doesn't stop Ms A from transferring the other years subscriptions whilst this was reviewed.

Tesco believes as there has been no financial loss – with all interest being backdated and the transfer now completed – that the level of compensation recommended is excessive and has asked for an ombudsman's decision on the matter.

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 hope Ms A won't take it as a discourtesy that I've described her complaint in the way that I have. Ours is an informal dispute resolution service and I've concentrated on what I consider the crux of Ms A's complaint. Our rules allow me to do that. And the crux of Ms A's complaint is regarding service received and the delays experienced in transferring her ISA.

I note within Ms A's submissions she's expressed her unhappiness at the way Tesco has investigated and handled her complaint. But I need to be clear here that this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the FCA.

So I can't look at Tesco's internal complaints procedures or processes and tell it what it must do and even if it was in this service's power to do so, as complaint handling isn't a regulated activity, we wouldn't be able to look at Ms A's complaint if it solely related to this.

My role rather is to look at the problems Ms A has experienced and see if Tesco has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Ms A back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered everything I'm in agreement with our investigator and I don't think there is anything much more of use that I can add.

I agree that initially what Tesco offered to do to resolve Ms A's complaint was fair as it put Ms A in the position she would've been in if Tesco had moved Ms A's cash ISA to a new Instant Access Cash ISA when it should've by compensating her for the lost interest and agreeing to backdate the set up date of the ISA and pay interest she should be getting for any future delays. And on top of this Tesco agreed to pay compensation of £100 for the distress and inconvenience caused up until this point.

This should've been the end of the matter, but unfortunately following this there was further delays and the ISA transfer wasn't complete until 13 January 2026.

So the question I have to ask is whether these further delays were the result of an error on Tesco's part and if so, what it needs to do to put things right.

Ms A says the reason she didn't confirm she was happy to go ahead with her cash ISA transfer was because Tesco had incorrectly told her she wouldn't be able to contribute further to her ISA for the 2025-2026 tax year and she wanted to be sure this was possible.

Tesco accept that Ms A was given incorrect information about this but say this advice was corrected shortly afterwards but she never confirmed the transfer. Tesco acknowledges there were questions raised over the 2025-2026 ISA subscription but say there was nothing stopping Ms A from transferring the other years subscriptions while this was reviewed.

I agree Ms A could've confirmed the transfer instructions but given all the issues she'd had and her concerns about losing her ISA contribution allowance, I can understand why she didn't. Indeed, I've struggled myself to understand the information and advice Tesco has given and the actions its taken.

And given the issues Ms A has had were as a result of Tesco's errors, I think that Tesco should've been more proactive and contacted Ms A to confirm her transfer instructions rather than expect Ms A to call it. Having a complaint with this service doesn't mean I

wouldn't expect Tesco to do this – especially considering it was aware at her unhappiness at the service she'd received and that at the outset all she wanted to do was transfer her ISA to a new ISA offering a better interest rate.

I accept that Ms A might not have suffered any financial loss as Tesco has backdated the interest. But Ms A has continued to suffer further distress and inconvenience having to chase the matter up and not been given clear advice about what she needs to do going forward.

And so on that basis I think the further compensation of £100 recommended by our investigator is fair as this is to compensate Ms A for the errors following her first bringing her complaint to this service.

My final decision

For the reasons I've explained I've decided to uphold Ms A's complaint against Barclays Bank UK PLC trading as Tesco Bank and direct it compensate Ms A a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 30 March 2026.

Caroline Davies
Ombudsman