

## **complaint**

Mr F is unhappy with the time that it has taken Barclays Bank UK PLC (Barclays) to complete the transfer of his holdings to a third party (IWEB). He says he's suffered a financial loss as a result. He's also unhappy about the poor service he has received.

## **background**

Mr F said that he first instructed Barclays to transfer his holdings in July 2017. Whilst most of his holdings were transferred in September 2017, not all of was. Barclays says this was because of a reverse takeover announced in July 2017. It wasn't until September 2018 these holdings were finally transferred – Mr F says at considerable financial loss to him.

Barclays partially upheld the complaint. It offered Mr F £250 compensation for the delays and the poor service. However, it said Mr F could still trade and it didn't accept that it was responsible for any loss.

One of our adjudicators considered the complaint but thought it should be partially upheld. In summary, he said:

- In September 2017, Barclays couldn't process the transfer because of corporate action.
- In January 2018, the corporate action came to an end so Barclays was responsible for the delay beyond this point. However this delay didn't prevent Mr F from trading during this period.
- There was no evidence that Mr F had instructed Barclays to trade shares or that Barclays had failed to carry out his instructions. So Barclays wasn't responsible for any loss in value in the stocks by September 2018.
- £350 compensation was suitable in the circumstances taking into account the extent of the delays and the poor service.

Barclays accepted the increased level of compensation proposed by the adjudicator. Mr F disagreed with the adjudicator's conclusions. In summary, he said:

- It was clear that Barclays was unable to carry out instructions as it prematurely closed his ISA in 2017. Reinstatement was necessary before instructions could be enacted. It was Barclays who indicated he ask IWEB to make a new application
- When he rang on 24 January 2018 Barclays was unaware of the readmission of these shares and could find no trace of Cradle Arc Shares (CAS) in their systems whatsoever.
- After his telephone conversation with Barclays on 29 January 2018 he passed their instructions to IWEB who made a transfer request on the 29 January 2018 but Barclays were still unable to give any clarification regarding his account.
- Despite five attempts by IWEB during the next four weeks nothing happened. It was during a conversation with Barclays Smart Investor in March that it was conceded that his ISA was cancelled in 2017, after the transfer of the bulk of funds to IWEB. The course available was to reinstate his ISA, to allow the final transfer to take place.
- Despite receiving regular contact from IWEB and himself his ISA hadn't been reinstated. The first indication of movement was when he was told in 27 September 2018 that the CAS had been added to his account.

- He has written evidence from IWEB that it chased Barclays 24 times between the 6 February and the 27 July to comply with the transfer request without success. The transfer was only completed after he referred his complaint to this service.
- Despite receiving a new passcode he was unable to access his account online presumably due to the premature cancellation and lack of reinstatement of his ISA
- As the transfer occurred on 28 September 2018 when CAS's share price had deteriorated to 0.0145p his net loss was therefore £2,038.
- It's clear that Barclays would've failed to carry out any instructions until his ISA was reinstated. He asks for the real reason why it took 9 months to complete the transfer. The fact IWEB contacted Barclays 24 times without reply is also a real concern.
- He made a serious and tangible loss due to Barclays's maladministration. He fails to see why Barclays should avoid liability for this. It was his intention to immediately sell 23573 CAS on readmission and reinvest in AstraZeneca which was already in his portfolio.
- The adjudicator was aware that any purchase would have to be effected by IWEB as they now controlled his ISA.
- When Mr F rang on 29 January 2018 to sell/transfer the shares he was told about administrative difficulties and it was suggested he ask IWEB to resubmit the transfer request. Selling the shares thereafter was never an option in view of Barclays' request for IWEB to issue a fresh application which they did on the 29 January 2018.
- Mr F challenged the assumption that transferring CAS was outside Barclays' control.
- It's accepted the shares couldn't be transferred in September 2017 due to suspension but from 24 January 2018 the position changed. The value shares were held by Barclays and it was in their power to either sell or transfer them to IWEB provided they reinstated his ISA to do so. They failed to do so and this is why he suffered major loss.
- There is clear evidence that until his ISA was reinstated no Barclays staff were able to deal with any request.
- On the 29 January 2018 the lowest Bid price for CAS was 10.8p which would have realized £2,545 sufficient to purchase 50 AstraZeneca at the then offer price of 5090p. Since then this share has traded between 4554p and 6432p and currently is around 6000p.
- £350 compensation is totally unacceptable. But he's prepared to reduce his original claim from £5,000 to nearer £2,000 to help to achieve a sensible conclusion.

The adjudicator having considered the additional points wasn't persuaded to change his mind. In summary, he said:

- Although Barclays had a record of Mr F contacting it on 29 January 2018 this was to chase the progress of the transfer request and during that call he gave no indication that he wanted to sell 23,573 AstraZeneca shares immediately or of him giving such an instruction or attempting to do so. The adjudicator therefore felt unable to hold Barclays responsible for the losses Mr F was claiming.
- He understood why Mr F felt that selling the CAS was never an option but said that this didn't mean he couldn't have made Barclays aware of his intention.
- He also said that whilst it may have been outside Barclays' control to transfer the CAS between September 2017 and 24 January 2018 it was in its' power to sell the shares on his instruction or transfer them to IWEB after these dates.

The adjudicator said that other than his and IWEBs continued chasers there was no evidence of him attempting to instruct Barclays to sell the CAS. So, without evidence of this the adjudicator was unable to change his view.

Mr F disagreed with the adjudicator's response and made the following points:

- He believes that he incurred a financial loss on 23573 CAS after the total failure of Barclays to carry out clear written instructions dated the 29 January 2018 to transfer these shares to IWEB.
- Barclays' initial switch to "Smart Investor" was an administrative and technological disaster and he finds it inconceivable that the adjudicator accepted Barclays' poor excuse that the shares could've been sold if instructed. This is contrary to the facts that Barclays' staff would not or could not exercise any instruction until his ISA was reinstated following its premature cancellation in 2017. It was after his persistence that Barclays acknowledged this in early March 2018.
- He's disappointed that the adjudicator didn't ask for a transcript of that conversation which would've exposed Barclays' excuse and would've shown that no action could be taken until reinstatement of the cancelled ISA.
- The adjudicator also ignored his request for a copy of the transcript and that he didn't thoroughly investigate the reasons why it took approximately 9 months for Barclays to transfer the shares to IWEB.
- The adjudicator also ignored the fact that his ISA was transferred to IWEB in September 2017, so any future dealings could only be through IWEB. Hence the reason why he was requesting an immediate transfer of the stock.
- The first reference to selling or reinvestment with Barclays came from the adjudicator. He only gave an indication of his thoughts on likely selling and reinvestment in alternative shares but this was irrelevant. Barclays had already transferred his ISA to IWEB who were now responsible for all sales, purchases and amendments to his ISA.
- Within 3 working days of reinstatement of CAS both verbal and written instructions were given to Barclays on the 29 January 2018 to transfer 23573 shares to IWEB which they failed to do until 9 months later and then only after intervention from our service.
- The value of the shares on reinstatement was 10p (£2,357.30) which reduced to £388.95 when transferred thus creating a loss of £1968.35. As previously indicated, this should be in addition to the £350 already offered for distress and inconvenience caused but he is prepared to accept a total of £2,000 in full and final settlement.

Barclays' provided a summary of the telephone calls that Mr F had made to it and stated the following:

- At no point did it tell him that the shares weren't held.
- It recognizes that Mr F feels he missed out on these shares and being able to sell them; but he didn't discuss trading with them.
- On 3 April 2018 on seeing the 'closing status' he was advised if he opted to trade Barclays could reopen the account for him but Mr F was more concerned with getting the shares transferred.
- The last call explicitly told Mr F that the account appears as a closure status but this wouldn't have impacted the transfer request as there were shares in the account.
- At no point would it have told Mr F that the shares were not held on there.

Mr F asked for an ombudsman's decision. As no agreement has been reached, the matter has been passed to me for review.

### **my findings**

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 agree with the adjudicator's conclusions for much the same reasons. I'm going to partially uphold this complaint.

But before I explain further why this is the case, I think it's important for me to note I recognise Mr F's strength of feeling about this matter.

Mr F has provided detailed submissions to support the complaint, which I've read and considered carefully. However, I hope he won't take the fact my findings focus on what I consider to be the central issues, and not in as much detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by Mr F and Barclays, and reach what I think is an independent, fair and reasonable decision based on the facts of the case.

In deciding what's fair and reasonable, I must take into account the relevant law, regulation and best industry practice, but I'm not bound by this. It's for me to decide, based on the information I've been given, what's more likely than not to have happened. I'm considering the complaint only against Barclays and not any third party business.

What seems to be at the heart of this complaint is whether or not Barclays prevented Mr F from trading - thereby causing him a financial loss. I note Mr F suggests it's the one central issue they disagree on.

On the face of the evidence, and on balance, despite what Mr F says, I unable to safely say that he wasn't able to trade when he wanted to.

The primary reason for this is that I've not seen any evidence that persuades me that Mr F wished to trade when he says he did, or that Barclays prevented him from doing so. Despite what Mr F may, or may not have intended to do, I haven't seen that this was communicated to Barclays. So as far as I can see Barclays wasn't even aware.

I don't think it was sufficient for Mr F to conclude that Barclays wouldn't have been able to trade when he didn't even ask. I note the Barclays have suggested that it would've been able to trade.

I agree with the adjudicator that the issue isn't whether the Barclays could trade or not, it is whether or not it stopped Mr F from doing so – by virtue of failing to carry out his instructions. For the reasons I've explained above I don't think it did - even if it needed to reinstate the ISA following its "premature" cancellation. I note Barclays maintains on 3 April 2018 in reference to the 'closing status' Mr F was advised if he opted to trade Barclays could reopen the account for him but Mr F was more concerned with getting the shares transferred. And even though the account appears as a closure status, this wouldn't have impacted the transfer request as there were shares in the account.

I'm mindful that Mr F accepts that he can't categorically say that he let Barclays know that he wanted to trade therefore I don't agree that Barclays has caused him the financial loss he claims.

I agree that the initial transition to the Smart Investor wasn't smooth and it caused Mr F a deal of trouble and upset. In this instance I think the £350 compensation proposed by the adjudicator is broadly fair and reasonable. I note that the bulk of the delays were down to corporate action which I can't really hold Barclays responsible for.

I appreciate Mr F will be unhappy I've reached the same conclusion as the adjudicator. Furthermore, I realise my decision isn't what he wants to hear.

But on the face of the available evidence, I'm unable to uphold this complaint.

### **my final decision**

For the reasons set out above I partially uphold this complaint.

Barclays Bank UK PLC should pay Mr F £350 compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 August 2019.

Dara Islam  
**ombudsman**