

complaint

Mrs T complains about the transfer of assets from Barclays Bank Plc trading as Barclays Stockbrokers to the new Smart Investor platform. As a result she believes she has suffered financial loss.

She is being assisted by Mr T, her husband, who has an identical complaint that has been dealt with separately by me.

background

In my provisional decision of 19 September 2018, a copy of which is attached and forms part of this, my final decision, I said I was minded to partially uphold the complaint. In summary, I said:

- I wasn't able to look into the complaint handling aspect of the complaint by Mrs T because it's not a regulated activity so not within our jurisdiction.
- On the face of the evidence, and on balance, I said I wasn't persuaded that the overall redress offered by Barclays was reasonable in the circumstances.
- Although I didn't think Barclays had deliberately set out to mislead Mrs T, it should have managed her expectations better, and set out realistic time scales in the circumstances.
- I wasn't satisfied that Barclays had offered *adequate* compensation to date (if at all) specifically for the delay.
- Overall, the transfer of stock took 11 weeks but in relation to the Regional Reit shares this wasn't done fully. The cash balance element also had £300 still outstanding. In the circumstances I thought that due to the time taken to deal with Mrs T's transfer request it would be reasonable to award an *additional* £100 to mark the delay totalling £200.
- I wasn't persuaded there was any need in the circumstances to award 8% simple interest to the shares or cash element which would still have been invested and I'm not persuaded Mrs T was deprived of its use. Barclays should ensure this is done promptly unless it has already done so.
- Barclays fell short of the standard Mrs T could expect. I didn't think there was any dispute about the trouble Mrs T experienced in relation to the suspension and trying to access the platform. Mrs T was also incorrectly charged £4.00 on 25 May 2017 and £2.58 on 31 May 2017, as a migration charge on the account, despite being told that it would be waived.
- On the face of the evidence, and on balance, I thought an overall £200 compensation for the trouble and upset, plus the refund of £6.58 with 8% simple interest, from the date of payment to the date of settlement, was broadly fair and reasonable.
- In relation to the late payment of dividends, Mrs T was still awaiting payment of £7.64 from October 2017. Barclays should pay 8% simple interest from the date it should have been paid to the date of settlement.
- Barclays accepted there had been technical errors with book costs appearing incorrectly due to an IT error. In the circumstances I thought Barclays should pay Mrs T £50 compensation for the trouble and upset caused. I noted that £50 may already have been paid.
- In relation to the late payment of dividends, Mrs T was still awaiting payment of £21.11 from October 2017. Barclays should pay 8% simple interest from the date it should have been paid to the date of settlement.

- Despite what Mr T said about losses, on the face of the evidence and on balance I was unable to safely say that Mrs T had suffered any additional losses. And despite what Mr T says about the missed opportunities, I've seen no evidence of her trying to trade during this period regardless of the difficulties.

Mr T has responded and made the following key points relevant to this complaint:

- He disagrees that there was an opportunity to trade over the telephone: the cash balance was frozen; there was likely to be a 45 minute wait; the dealing screen wouldn't be available without a delay; the trader would only have seconds to decide whether or not to trade. No share dealer used to the benefits of online dealing will want that.
- They did their best to avoid any problems during the transfer period. They checked the 30 day transfer time with Barclays and despite being assured that there'd be no problems with continuity - other than a day or two - they were told they shouldn't have been told that. Mr T considers this a breach of trust.
- Mr T thinks the level of compensation should be the same for all four of the complaints made by him and his family against Barclays on the issue.
- Mr T hopes I will reconsider the compensation levels.

In the event that this was the approach I was going to take, Barclays had no further points to add.

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, in light of the new submissions by Mr T, my conclusion remains as set out previously, and for the same reasons. I partially uphold this complaint.

I've covered the points I consider to be relevant to my decision and therefore I don't feel it necessary to go over the points again in detail.

I wasn't satisfied that Barclays had offered *adequate* compensation to date (if at all) specifically for the delay. So if the compensation was also to include the poor customer service as suggested by the investigator, and the incorrect valuations – which I didn't think should go unmarked – it doesn't seem like there was anything paid for the delay.

I appreciate what Mr T says about share dealing over the telephone. But the issues raised by him seem to be more to do with the difficulties of trading over the phone and the practicalities of it, rather than *not* having the opportunity to do so at all. I didn't say that it would be easier than trading online, just that it was an option available should Mrs T wish to pursue it. Barclays didn't stop Mrs T from trading.

As I've said in my provisional decision I don't think Barclays had deliberately set out to mislead Mrs T.

Overall I've selected the level of compensation based on the overall impact I believe the issues have had on Mrs T. I'm unable to consider other complaints albeit from the same family against Barclays in this decision. But that said, I don't think it would be fair or reasonable to award the same level of compensation to Mrs T as I have done to Mr T, or vice versa, because I'm not satisfied the issues have affected them in exactly the same way.

my final decision

For the reasons set out above, and in my provisional decision, my final decision is that I uphold this complaint.

Barclays Bank Plc should pay Mrs T the following, unless it has already done so:

- £450 compensation for trouble and upset.
- £6.58 with 8% simple interest from the date of payment to the date of settlement.
- £7.64 with 8% simple interest from the date it should have been paid to the date of settlement.

I note £75 has already been paid for not waiving the migration fees as promised and £50 for the complaint handling.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 November 2018.

Dara Islam
ombudsman

COPY OF MY PROVISIONAL DECISION

complaint

Mrs T complains about the transfer of assets from Barclays Bank Plc trading as Barclays Stockbrokers to the new Smart Investor platform. As a result she believes she has suffered financial loss.

She is being assisted by Mr T, her husband, who has an identical complaint that has been dealt with separately by me.

background

One of our investigators considered the complaint and thought it should be upheld. In summary she said:

- We're unable to look into the complaint handling aspect of the complaint by Mrs T because it's not a regulated activity so not within our jurisdiction.
- Mrs T expected the transfer to take no more than 30 days but Barclays hadn't made clear that it was likely to take longer, or that there was a delay. Not until December 2017, when Mr T called to find out what was taking so long.
- Mrs T's request had mainly been completed by 1 February 2018 – roughly 11 weeks after the request was made but, £300 cash remained outstanding.
- Although Barclays offered £150 compensation £50 was for the complaints handling. So it should increase its offer to £200.
- Online trading was suspended while a transfer was taking place but this wasn't unreasonable. Despite Mrs T's preference to trade online, she was able to trade by phone but this wasn't made clear to her either until December 2017.
- This didn't mean she wasn't able to trade at all so she's not entitled to any compensation for any potential loss of value to her investment.
- There was a delay in transferring the cash balance. Although the non-cash asset transfer was finalised on 1 February 2018 the cash balance still hasn't been paid and Barclays continues to hold £300 and has been unable to explain the delay and should therefore pay 8% simple interest on this amount from 1 February to the date of payment.
- Mrs T was told that the account migration fees would be waived, but it wasn't. Barclays should refund the money charged and pay 8% simple interest from the date of charge to the date of refund. Barclays has paid £75 compensation for this mistake.
- Barclays accepts there have been technical errors with book costs appearing incorrectly due to an IT error. Thanks to Mr T, Mrs T was aware these values weren't correct and so didn't make any decisions based on the incorrect information. But it was nevertheless inconvenient and Mr T calculated the correct sums himself. This should be acknowledged.
- In relation to the Regional Reit shares – it was only partially transferred by Barclays in February 2018 – Barclays should acknowledge this. But because the transfer was done in specie the adjudicator wasn't satisfied Mrs T had suffered any loss.
- In relation to the late payment of dividends, Mrs T is still awaiting payment of £7.64 from October 2017. Barclays should pay this with 8% simple interest from the date it should have been paid to the date of settlement.

Mr T disagreed with the investigator's conclusions. In summary he said:

- The proposed compensation was grossly inadequate and disproportionate to the damage done by Barclays.
- After months of frustration he thought our service would have the muscle and expertise to get the correct redress. We could have held Barclays to account but he's astonished by the softness of our attitude towards Barclays.

- Barclays' workload is self-inflicted, resulting from its "catastrophic decision to launch a useless new platform on customers". So why does the investigator think it's reasonable to take 12 weeks rather than 30 days?
- Why is the 8% simple interest from 1 February rather than the 17 November 2017, date of transfer request?
- The telephone line was virtually paralyzed at the time, with up to 45 minute waits to speak to anyone. He doesn't think this was a dealing service. He's only ever used the online platform with his 20 years with Barclays. And given all the errors Mrs T couldn't trade anyway.
- Why didn't the adjudicator penalise Barclays for misleading them about the transfer period and restrictions. Why have we let Barclays off the hook? He was under the impression he'd be able to trade for all the period except for half a day on the day of transfer.
- Why did we think it wasn't unreasonable for Barclays to suspend online trading? For three months it was totally unreasonable.
- Where's the penalty for acknowledging that Barclays scrambled every single holding in the investment. This was a serious matter because Mrs T couldn't tell whether she'd made a gain or a loss on her shares. He was forced to spend hours correcting the errors, where is the compensation for that? It was fundamental he do this to safeguard his and Mrs T's position.
- For five months Mrs T couldn't trade and this was a high volatility period. The investigator seems to have overlooked value protection and missed opportunities in what should have been a self-select share dealing account.
- The piecemeal way in which everything has been considered is simplistic. Given that even when the transfer took place they couldn't do anything because of the incorrect information, it took in total 19 weeks before they could trade.
- Before he corrected the books the value of their portfolio had fallen substantially. Barclays stopped Mrs T from doing anything with her investments.

Having taken the points into account the investigator wasn't persuaded to change her mind.

As no agreement has been reached, the matter has been passed to me for review.

my provisional 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, subject to any further submissions, I'm provisionally minded to uphold this complaint. On the face of the evidence, and on balance, I'm not persuaded that the overall redress suggested by the investigator is reasonable in the circumstances.

But before I explain why, I think it's important for me to recognise Mrs T's frustration and strength of feeling about this matter. Mr T has provided detailed submissions to support the complaint, which I've read and considered carefully. However, I hope she 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. It's also not my role to be a consumer champion or to regulate or penalise a business because it's made a mistake. That's the role of the industry regulator the Financial Conduct Authority (FCA). So I hope that this will help explain why we take the approach we do.

My role is to consider the evidence presented by Mr T 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. Sometimes an ombudsman will take a different view to the investigator, as they are entitled to, and as I have on this occasion.

In respect of the delay, despite what Mr T says about the 30 days, I'm aware that transfers can take up to 12 weeks. Although I don't think Barclays deliberately set out to mislead Mrs T, it should have managed her expectations better, and set out realistic time scales in the circumstances.

I'm aware from having dealt with similar complaints against Barclays it has said that any payments received on the account after the transfer being completed can take up to 90 days to be transferred to the new provider.

An important question is whether or not compensation (or lack of compensation) for the delay element of the complaint is reasonable. On the face of the evidence, I'm not satisfied that Barclays has offered any compensation for the delay. I also don't think the additional compensation recommended by the investigator takes into account that the matter is still outstanding.

I'm mindful that the transfer of stock took 11 weeks but in relation to the Regional Reit shares this wasn't done fully. The cash balance element also has £300 still outstanding. In the circumstances I think that due to the time taken to deal with Mrs T's transfer request it would be reasonable to award an *additional* £100 to mark the delay totalling £200. I'm not persuaded there's any need in the circumstances to award 8% simple interest to the shares or cash element which would still have been invested and I'm not persuaded Mrs T was deprived of its use. Barclays should ensure this is done promptly unless it has already done so.

Barclays accepts that overall it fell short of the standard Mrs T could expect. I don't think there's any dispute about the trouble Mrs T experienced in relation to the suspension and trying to access the platform. Mrs T was also incorrectly charged £4.00 on 25 May 2017 and £2.58 on 31 May 2017, as a migration charge on the account, despite being told that it would be waived.

On the face of the evidence, and on balance, I think an overall £200 compensation for the trouble and upset, plus the refund of £6.58 with 8% simple interest, from the date of payment to the date of settlement, is broadly fair and reasonable.

Primarily this is for Barclays' failure to communicate with Mrs T effectively; failing to make matters clear when it should have, despite Mr T's numerous attempts to get to the bottom of the matter; including difficulty with the telephone system. I'm mindful that Mr T did a lot of the chasing up on her behalf and that's why this amount isn't higher.

I note Barclays accepts there have been technical errors with book costs appearing incorrectly due to an IT error. I acknowledge that it was a serious matter and that Mrs T couldn't tell whether she'd made a gain or a loss on her shares in amongst everything else going on. I note Mr T says he was forced to spend hours correcting the errors. I acknowledge it was important he did this to safe guard both he and Mrs T's position and I can't blame him for taking his own time to do so. In the circumstances I think Barclays should pay Mrs T £50 compensation for the trouble and upset caused. I'm mindful it may have already paid this amount.

Despite what Mr T says about her losses, on the face of the evidence and on balance I'm unable to safely say she's suffered any additional losses. Despite what Mr T says about the missed opportunities, I've seen no evidence of Mrs T trying to trade during this period regardless of the difficulties. I'm mindful that she had the opportunity to trade over the telephone despite what she may have done, and preferred to do, traditionally. And regardless of the figures Mr T had to correct I think had he called Barclays in order to trade on Mrs T's behalf, it was more likely than not to be able to assist. In the circumstances I'm unable to agree the business stopped Mrs T trading.

In relation to the late payment of dividends, Mrs T is still awaiting payment of £7.64 from October 2017. Barclays should pay 8% simple interest from the date it should have been paid to the date of settlement.

I'm sorry that Mr T feels that the redress is calculated on a piecemeal basis. Every case has to be considered in light of its individual facts and redress calculated in light of what is fair and reasonable in the circumstances and that includes elements of proportionality and totality.

I appreciate Mrs T will be disappointed with my decision, but in the circumstances, I'm unable to give her what he wants.

my provisional decision

For the reasons set out above, subject to any further submissions, provisionally I'm minded to uphold this complaint.

I'm minded to say that Barclays Bank Plc should pay Mrs T the following, unless it has already done so:

- £450 compensation for trouble and upset.
- £6.58 with 8% simple interest from the date of payment to the date of settlement.
- £7.64 with 8% simple interest from the date it should have been paid to the date of settlement.

I note £75 has already been paid for not waiving the migration fees as promised and £50 for the complaint handling.

Dara Islam
ombudsman