

The complaint

Mr N mainly complains about the service provided by Barclays Bank UK PLC when it took longer than it should've done to process a withdrawal of funds from a family investment. He's also unhappy about the way Barclays managed this complaint and he feels that no proper explanation has been provided about fees charged by Barclays.

Barclays partly upheld the complaint. To put things right, Mr N would like more redress than Barclays has offered.

This complaint is brought with the agreement of all the trustees but, to keep things simpler, I'll just refer to this as Mr N's complaint.

What happened

Mr N contacted fund managers (whom I'll refer to as 'C') about making a withdrawal. Barclays received a disinvestment request from C on 24 June 2022. Barclays processed the request five days later and the trade settled on 6 July for the amount requested. Barclays however had mistakenly not made any allowance for its fees, which left a shortfall in the original withdrawal amount requested after these were deducted. So Barclays placed a further request to raise additional funds to cover the shortfall.

The second request was sent and processed on 15 July and the funds settled on 22 July. However, Barclays advisory fees for the next period were now due. These were charged to the portfolio on 21 July, which led to a further shortfall of around £500 prompting Barclays to raise further funds to cover these fees.

Barclays sent Mr N the total amount of funds he had requested from C on 27 July 2022.

Barclays upheld Mr N's complaint on the basis that it had twice made an error when it failed to check for any outstanding fees before arranging the trades. Barclays said there was no financial detriment as the change in unit prices over the course of the three trades effectively resulted in a small saving and this more than offset the potential loss of interest on funds that ought to have been paid sooner.

Barclays agreed however that it didn't provide a good enough service on this occasion and following an exchange of correspondence, offered to pay £400 compensation and waive its advisory fees for the next 12 months.

Mr N felt this offer fell short of the resolution he was looking for and he brought the complaint to this service. He didn't feel he'd been given any proper explanation about why fees were '*outstanding*' when these were fees that Barclays could and should have anticipated and taken responsibility for. He was concerned fees had been duplicated. And he didn't feel the compensation offered fairly reflected the: '*...12 weeks of delays and unfulfilled assurances, missed deadlines and the disappearance without warning or explanation of the person supposedly investigating the matter.*'

When our investigator looked into what happened, she felt that Barclays' offer to pay £400 for distress and inconvenience and waive fees for 12 months was fair and reasonable.

Mr N didn't agree with the investigator. He highlighted the following main points of concern:

- the investigator had failed to understand the nature of his ongoing dissatisfaction in relation to the issue of fees
- C's fees were understandable as they were the fund managers, but Barclays hadn't explained its charges or when or how they were calculated or explained the services Barclays provided in relation to this investment
- in addition, Barclays hadn't adequately explained its delays with regards to the release of the funds or the investigation of the complaint.

As the complaint hasn't been resolved informally, it comes to me for a final decision.

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'd like to reassure Mr N that I've looked at the complaint afresh. Having thought about everything I've seen and been told, I've independently reached the same conclusions as our investigator.

The background facts are not in dispute and Barclays has upheld Mr N's complaint so I don't need to say more about what happened.

I appreciate that Mr N remains concerned about Barclays' costs. He puts things this way '*...the fees charged to the portfolio are unrelated to this particular transaction and ...at no time has there been "outstanding fees" due on the portfolio that could have affected the processing of the payment...*'

As I understand this part of the complaint, Mr N mainly wants to know how and why fees due and owing held up the withdrawal when this was a matter for Barclays to manage and he's also mentioned being worried about a potential double charge. So that's what I'm concentrating on here.

I think the fees have been adequately explained. In order to use the service, a payment consent form would have been completed when signing up to Barclays' Advisory Investment Services ('AIS') to cover charges applied in line with terms and conditions. Barclays has confirmed that it charged a custody fee which equates to 0.15% of the portfolio amount and an advisory fee of 0.65% of the portfolio amount. Barclays has acknowledged that it should have recognised when raising the funds for the withdrawal that there were fees due and that this would have prevented the delay. Since October 2014, the payment of AIS fees associated with the C investment have been paid from within the bond rather than from a nominated account. I haven't seen information to show that there's been any double charging. I hope this puts Mr N's mind at rest on this point.

Nevertheless, I agree that Mr N was entitled to expect a better level of service from Barclays than he experienced. The withdrawal was prompted in the first place because funds were needed to secure a property purchase for one of the trust beneficiaries, a close family member of Mr N. So there was a clear and (at the time) urgent deadline for funds to be in place which I think would have added to what was already likely to be an anxious and

stressful situation. I can completely understand that what happened was very upsetting and frustrating for Mr N.

I've taken carefully into account what Mr N has said about how everything affected him. And my starting point is that fair compensation should properly reflect the impact of Barclays' service failings on this occasion.

I haven't seen any evidence that what happened resulted in financial loss. I understand that the money was not in the event required for the purchase for which it was originally intended. And Barclays has explained why the shortfall in the funds due to unposted fees being applied didn't result in any overall monetary loss.

But fair compensation isn't just about not being worse off in money terms – it needs to properly reflect the full impact on Mr N of Barclays' service failings on this occasion.

The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities. Complaint handling isn't a regulated activity, so I couldn't award compensation specifically for this.

Looked at overall, Barclays has offered to pay a total amount of redress (£400) that is in line with the level of award I consider fair to reflect the extent and impact on Mr N of admitted service failings on Barclays' part when dealing with the disinvestment request. Barclays has also said it has arranged to have the advisory fees on the offshore bond waived for 12 months, which is a significant saving.

I don't find it would be fair to ask Barclays to make any additional payment or take any further action here. The £400 already offered broadly matches the level of award I would make in these circumstances had it not already been proposed. I don't doubt that Barclays' poor handling of matters, as described above, caused Mr N significant distress and inconvenience. I am satisfied that £400 is in line with the amount this service would award in similar cases and it is fair compensation in these particular circumstances.

If I have not referred to everything mentioned during the course of this complaint, that's because I've concentrated on what seems to me to be the core issue I needed to address – essentially the question of fair redress for what happened. This reflects the fact that we provide an informal complaints handling service as a free alternative to the courts and I hope that setting things out as I've done is helpful.

Putting things right

To put things right, Barclays should do as it has offered and pay Mr N, in his capacity as trustee, £400 redress and (if it hasn't already done so) waive advisory fees on the offshore bond for a total of 12 months.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC to take the steps set out above to put things right for Mr N.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 5 February 2024.

Susan Webb
Ombudsman

