

### The complaint

Mr J complains that Barclays Bank Plc caused avoidable delays in transferring his stocks and shares ISA to cash ISA with his new ISA provider.

# What happened

Mr J held a Smart Investor stocks and shares ISA with Barclays. On 25 March 2022, Mr J went into the branch of his new ISA provider ("TP") to initiate the closing of his stocks and shares ISA with Barclays and for the funds to be transferred to his cash ISA with TP. When completing the transfer forms, he provided an address for Barclays he found on his paperwork. He says he was advised by Barclays to do so during a branch visit.

Mr J arrived back from holiday on 29 April 2022 and expected the transfer to have completed. However, he was informed by TP that the transferred funds hadn't been received. TP said it had chased Barclays via email and eventually had a conversation with it in which Barclays confirmed TP had sent the transfer request to the wrong address. TP then sent the request again by recorded delivery to the correct Barclays address on 18 May 2022. Barclays then arranged the transfer and posted the cheques to TP on 3 June 2022. However, Barclays failed to send the ISA history form within five days, and so Mr J wasn't able to benefit from the new cash interest rate with TP. Mr J says his funds weren't credited to his cash ISA with TP until mid-July 2022.

Mr J complained to Barclays as he was unhappy with the time it took to complete the transfer. He said the delays had led to a financial loss as his ISA value on 21 March 2022 was £10,981.79 but he only received £10,351.45 when the transfer completed (a loss of £630.34). He also said Barclays had continued to charge him administration fees on 8 April and 12 May 2022 equalling £8 which ought not to have been charged if the transfer had been completed sooner. Furthermore, he said TP had confirmed it would credit his cash ISA with interest at 0.85% p.a. from the date of the cheque. This meant he'd missed out on potential interest on his cash ISA for the whole of April and May 2022. He said he was prepared to grant Barclays the 30 days from instruction and so he expected Barclays to cover the expected interest for May. Finally, Mr J said he spent a lot of time and effort chasing Barclays to get more information about the progress of the transfer. And so he felt he should be compensated for the distress and inconvenience caused.

Barclays considered Mr J's complaint and partially upheld it. In summary, it said:

- It didn't receive the transfer request from TP until 19 May 2022.
- The regulator, the Financial Conduct Authority, requires all parties to use a central database when requesting transfers. This ensures all parties send any transfer requests to the correct addresses.
- TP was responsible for initiating the transfer and making sure it sent the request to the correct address for Barclays, that is noted on the database.
- Although it didn't doubt the visit took place, it had no record of Mr J's visit to the branch. It said it is part of Barclays, but the services of Smart Investor are not a branch-based account with all services being provided primarily online.

- Barclays liquidated the stock on 23 May 2022 (crystalised loss) and it settled on 26 May 2022. It then sent a cheque for £10,351.45 to the TP on 3 June 2022.
- Barclays was aware that TP didn't receive the cheque until 22 June 2022 but it's not responsible for this delay as it sent the cheque to the address provided by TP.
- TP required the ISA History form to cash the cheque, but Barclays did not email this to the TP until 6 July 2022.
- TP did not cash the cheque until 27 July 2022.
- Overall, the transfer should've completed within 30 calendar days, however TP was
  responsible for providing the correct address for the cheque to be sent to and
  checking Barclays addresses on the central database when initiating the transfer. So
  it felt it wasn't responsible for the initial delays.
- Barclays said it was responsible for sending the ISA History Form within five day from date of transfer, which it failed to do, and so it upheld this part of the complaint.
- It offered to refund Mr J the interest from 3 June 2022 to 27 July 2022 and rounded it up to £20, as well as a further £100 for the distress and inconvenience caused.

Unhappy with Barclays' response, Mr J referred his complaint to this service for an independent review.

One of our investigators considered Mr J's complaint but didn't uphold it. In summary, they said:

- They'd contacted TP to ask why the central database and it confirmed that its standard process is send the ISA transfer forms to the address provided by the customer, as the database may not always be up to date.
- It's the responsibility of every database participant of which both Barclays and TP are to keep its information up to date to complete transfers within a timely manner. And whilst it's not a compulsory part of the transfer process, they felt it was good practise for firms to check information on the database before initiating a transfer.
- The initial delays could have been avoided if TP had checked Barclays' address prior to posting the transfer forms.
- TP also explained it was aware that Barclays can't open email attachments TP sends it. So, the investigator felt it was reasonable for TP to have put in place an extra safeguard on ensuring the transfer to Barclays completed via the central database.
- Barclays pointed out it completes transfers with TP on a regular basis, so expectation is TP would have been aware of the address used to process these.

Mr J didn't accept the investigator's findings. In summary, he said the investigator's admission is that use of the central database is not mandatory and so Barclays ought to have provided the correct address when he visited in branch. Instead he was told by Barclays to use the address stipulated on his paperwork, which he did.

As no agreement could be reached, the complaint was passed to me to decide.

I issued my provisional findings in December 2023 setting out why I thought the complaint should be upheld. I've included a copy of this below:

### What I've provisionally 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.

It's clear that the initial delay to Mr J's transfer of his ISA with Barclays to TP was caused by him entering the incorrect address for the Barclays Smart Investor team. Barclays says the

fault for this lies with either Mr J - as Mr J ought to have contacted the Smart Investor team directly as the branch network don't have the necessary experience to discuss these matters, or with TP – as it ought to have checked the address used on the central database.

Whilst I appreciate Barclays points here, I'm only considering a complaint against Barclays and I do think it had several opportunities to intervene and prevent the delays which occurred. I'll explain why.

Mr J has provided a detailed diarised record of every interaction he had with Barclays and TP. So whilst I appreciate Barclays has no record of what was said to him in branch, I've given considerable weight to Mr J's recollections.

Mr J's records show that he visited a Barclays branch on 24 March 2022 and was advised to enter onto the ISA transfer form "whatever was shown on the Barclays documentation" relating to his ISA with Barclays. I think this was the first opportunity Barclays had to provide him with the correct address to put on transfer form. I appreciate Barclays says its branch network doesn't have the necessary experience, however, if this was the case, I don't think it should have advised Mr J to use the address on his paperwork. Rather it ought to have advised him to call Smart Investor himself or called to get this information for him.

Furthermore, Mr J's records show that he re-visited the branch on 13 May 2022 and Barclays did in fact call the Smart Investor team to try and understand what was happening with the delays. Again, this was another opportunity for Barclays to intervene and to enquire as to what may have caused the delay, but instead, Mr J says he was advised to ask TP to call the Smart Investor telephone number.

I understand TP sent the forms to Barclays' head office address and whilst I appreciate this wasn't the correct address to use for ISA transfer forms, I would expect Barclays to have in place systems which allow it to correctly re-route post to the appropriate teams within the Barclays group. This didn't happen here and it's not entirely clear why.

Considering all of the above, I'm satisfied that fault lies with Barclays and that it was foreseeable that Mr J could have got the incorrect address from his ISA paperwork without Barclays' help. Whilst I appreciate Mr J could have contacted the Smart Investor team directly, it's clear that Mr J prefers to go in branch to make his banking and investment transactions and Barclays failed to ensure he had the correct address when he first instigated the transfer. If it had done so, I don't think the subsequent delays would have occurred.

#### Responses to my provisional findings

Mr J accepted my provisional findings, but Barclays didn't. In summary, it said:

- While it appreciates that I have lent a lot of weight to Mr J's diary entries, it's been unable to verify any of these interactions with the branch.
- It accepts that the central database isn't mandatory, and had the other broker not been signed up to the service, it would understand the approach. However, it says that two firms signed up to the central database should be using the method used extensively throughout the industry.
- Smart Investor has always been an online platform, which although part of Barclays Group, has no branch-based facilities.
- Despite Mr J's preference to use the branch-based facilities, Smart Investor should never be discussed with our branch colleagues and all servicing must be conducted online or via its telephone contact telephone number.

• It accepts any documents sent to its Head Office should be forwarded to Smart Investor with the minimum of delay, but without access to the document, it's unable to comment on the clarity of any instruction received.

As no agreement could be reached, the complaint has been passed to me to decide.

# 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've taken on board Barclays' comments, but I'm still satisfied the complaint should be upheld for the reasons set out in my provisional findings.

I understand Barclays says Smart Investor matters shouldn't be discussed in branch, however, the fact remains that Mr J did discuss this with the branch staff, and he wasn't provided with the correct information. I appreciate Barclays is unable to verify what was discussed, but as I explained in my provisional findings, Mr J has a detailed diarised account of what was discussed, with whom and at what time. As such, I'm persuaded his account of what happened is accurate and reliable. Furthermore, looking at the ISA transfer form, Mr J has written, "as discussed with Barclays, they require me to quote [ISA identification number]". This supports Mr J's records that he was provided with guidance from the branch staff. So, I remain satisfied that Barclays failed to refer Mr J to the correct Smart Investor channels and instead gave him misleading information which has in turn delayed his ISA transfer.

I also appreciate Barclays says TP ought to have used the central database, however, as I explained in my provisional findings, I'm only considering a complaint against Barclays not TP. So I've focused on Barclays actions and I do think it had several opportunities to intervene and prevent the delays which occurred.

# **Putting things right**

I think it's important to first address that Barclays has already offered to refund Mr J the interest he missed out on from his new cash ISA with TP for the period of 3 June 2022 to 27 July 2022. Which I consider to be fair as Barclays caused subsequent delays due to not sending the cheque and ISA History Form in a timely manner. I also find Barclays rounding up from around £7 to £20 fairly compensates him for any additional administration fees he had to pay.

So the only potential financial loss I need to consider here is whether Barclays' delay caused Mr J's stock to be liquidated at lower price than he ought to have received, had it been done sooner.

If Barclays had initially helped Mr J by providing him with the correct address to put on the transfer form, I'm satisfied Barclays would have liquidated his stock by 1 April 2022. I've reached this conclusion by considering the following:

- TP sent the transfer form on 25 March 2022 and Barclays would have likely received this the next day but would likely only be actioned after the weekend, so on 28 March 2022.
- When Barclays did eventually receive the transfer form it only took it five days for it to liquidate his stock, so I think it's fair and reasonable to assume it would have taken
- Barclays a similar time to do so if it had received the transfer form on 28 March 2022.
- So that means Barclays ought to have liquidated Mr J's stock by 1 April 2022.

So to put things right, I think Barclays should calculate what value Mr J would have received if it had liquidated his stock on 1 April 2022 ("A") and compare this to the value he received when it liquidated his stock on 23 May 2022 ("B"). If A is more than B, then Barclays should refund him the difference and add 8% interest up to the date the payment is made.

I've also thought carefully about the distress and inconvenience caused. I appreciate Mr J had to do a lot of chasing and enquiring regarding the delays to his transfer, but I do think the £100 offered fairly reflects the level of distress and inconvenience caused. And so I won't be recommending Barclays pays anything in addition to this.

### My final decision

My final decision is that I uphold this complaint and direct Barclays Bank Plc to pay Mr J redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 19 January 2024.

Ben Waites
Ombudsman