

The complaint

Mrs P complains about Barclays Bank UK PLC significantly delaying her Additional Permitted Subscription (APS) ISA transfer, causing inconvenience, distress and a financial loss.

What happened

I issued my second provisional decision on 7 March 2024, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, I've modified my provisional decision.

Before I issue my final decision, I wanted to give everyone a chance to reply to my second provisional decision.

I'll look at any more comments and evidence that I get by 21 March 2024. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

Mrs P complains about Barclays Bank UK PLC significantly delaying her Additional Permitted Subscription (APS) ISA transfer, causing inconvenience, distress and a financial loss.

What happened

In mid-2022 Mrs P, her son (Mr P who is registered with Barclays as having Lasting Power of Attorney for Mrs P) and daughter visited a Barclays branch on numerous occasions to get assistance with an APS ISA transfer from Mrs P's late husband's estate. The amounts to be transferred to Mrs P's account were £74,460.73 and £14,630.

Despite Barclays' involvement the transfer was significantly delayed, and Mrs P was only credited with £14,630 on 16 March 2023 and £74,460.73 funds on 5 April 2023.

Mr P, who is representing Mrs P, complained to Barclays as he considers the delays to have been excessive and unreasonable.

Barclays upheld Mr P's complaint. They apologised for their service and failure to respond in an appropriate timeframe. Barclays offered Mrs P £175 compensation and, as there was a delay crediting the cheque, backdated some interest.

Mr P, on behalf Mrs P, escalated Mrs P's complaint to our service. The outcome Mrs P is seeking is:

- 1. A greater amount of compensation, including for Mr P and his sister, for:*
 - the extreme inconvenience caused*

- the delayed resolution of Mrs P's husband's estate, preventing them from moving on with their lives
- 2. Lost interest of approximately £1000 due to a delay in being able to transfer out the funds to a savings account with a different ISA provider, which would've earned a higher interest rate.

However, although our investigator recognised Barclays had made errors, he considered their compensation offer to be reasonable.

As Mr P, on behalf of Mrs P, remains dissatisfied this case has been referred to me to look at.

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.

Having done so, I have a different view to the investigator, and I'll explain why.

Firstly, I'd like to express my condolences to Mrs P and her family for their sad loss. Also, I'm very sorry to hear about the distress and inconvenience experienced when dealing with the estate and APS ISA transfer.

I should explain that our service can't tell a business to make alterations to their systems, services, procedures or processes. I say this because we aren't the regulator of the financial services industry. Also, we can't penalise a business when service issues like this arise.

However, what we can do is consider each individual case and, where we think a business hasn't acted fairly and reasonably in the circumstances, decide what should be done to put right any financial or non-financial losses that a consumer has experienced. So, we can ask a business to pay a proportionate level of redress.

In this case Barclays upheld Mrs P's complaint and except they fell short, including when helping Mrs P in the branch, so what's left for me to decide here is a fair and reasonable amount of compensation.

Lost interest

Regarding lost interest, Barclays have only offered a small payment for a short delay in processing Mrs P's cheque. However, they accept their branch staff should've noticed the APS ISA form hadn't been signed and dated on 11 November 2022 and, as a result, this prevented the APS ISA from being opened shortly after.

When I pointed this out to Barclays, they said that they would be willing to pay interest from November 2022, presumably where this could be evidenced by Mr P on Mrs P's behalf. But this was rejected by Mr P due to a combination of lack of detail on both the date and interest rate together with a feeling that interest should be paid from July 2022 when Mrs P started the process.

Although Mr P feels that Mrs P has lost out on interest of approximately £1,000, the information currently on file is inadequate to calculate the loss. There is only evidence that Mrs P's £89,090.73 (£14,630 and £74,460.73) was credited to a fixed rate ISA with another bank on 11 May 2023, which was approximately 5 weeks after the £74,460.73 was credited by Barclays, earning 3.95%.

Whilst I'm satisfied Barclays made mistakes and also persuaded these funds would've been moved earlier had it not been for these mistakes, the period of delay is difficult to determine because the process is complex, the timeframe difficult to predict and file notes also suggest some customer errors. And, for the following reasons, it's not possible to calculate a fair and reasonable amount of interest:

- *The savings products are different*
- *Interest rates continuously change*
- *There isn't any paperwork or information about the interest rate for the ISA that Mrs P's late husband funds were invested in*

So, based on the information currently available, I'm not awarding any interest. Instead, I've decided to take this perceived loss of interest into consideration when looking at the distress and inconvenience caused.

Compensation for inconvenience and distress

Barclays accept that they didn't give clear information and instructions on the process when transferring an APS ISA allowance and they caused inconvenience and distress. Barclays have offered £175 compensation, so I considered whether this is fair and reasonable.

Assessing compensation isn't an exact science and our approach when making awards for non-financial loss is detailed on our website and tends to be modest.

I recognise Mr P and his sister's time, trouble and frustration here. Also, how the delay has prevented them moving on after their sad loss. However, there are limitations to how our service can help third parties even when they have POA, as we can only consider compensation for the distress and inconvenience caused to Mrs P.

I looked for file information on the impact caused to Mrs P and, from the information available, it appears that she was supported throughout by Mr P and his sister, and this reduced the distress, upset and worry.

However, I don't doubt that Barclays mistakes have had some impact on Mrs P. I think it more likely than not that the fact that this protracted matter needed her involvement and caused her family inconvenience and frustration, would've caused Mrs P some distress and upset. It would also have prevented Mrs P from being able to move on with her life after her sad loss. In addition, although it can't be evidenced, I'm satisfied Mrs P feels frustration and annoyance that she has lost out on interest which she believes to be approximately £1,000. Furthermore, I'm persuaded by both the events and her actions that there's been a loss of expectation here.

Having considered the impact of Barclays' mistakes and service on Mrs P together with our guidance, I think the amount of compensation should be increased from £175 to £350.

So, having considered the above and all the information on file, I'm partially upholding this complaint and I require Barclays to:

- *Pay Mrs P £350 compensation less any amounts already paid*

My provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint. I require Barclays Bank UK PLC to:

- *Pay Mrs P £350 compensation less any amounts already paid*

I'll look at anything else anyone wants to give me – so long as I get it before 26 February

2024.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

I would like to thank both parties for their responses.

Barclays said:

'We accept your recommendation to increase our compensation offer from £175 to £350'. But Mr P, on behalf of Mrs P, didn't agree with my provisional decision.

Regarding the period of delay, Mr P said the customer errors occurred after Barclays' errors and made the following comment:

'Had Barclays not made errors there would have been no further customer actions required and hence no customer errors. Taking customer errors which occurred later in the process into account is punishing the customer for errors made by Barclays. This is unreasonable. There were 2 forms in which customer errors occurred and both of these were checked and verified as correct by Barclays staff in branch. Customer errors amounted to a small amount of the total delay of approximately 9 months. I think it is fair and reasonable to allow Barclays 1 month to open an account and transfer funds. If we attribute 1 month to customer errors (liability disputed above) that still leaves Barclays liable for 7 months of delays'.

Regarding Interest rates, Mr P said he didn't have information on the interest the funds had been earning but didn't think there was a notice period. He added that it 'should surely be incumbent on Barclays to provide this information'. He believes Barclays instant cash ISA was paying between 0.75% and 1.65% interest during 2023 and submitted a link on interest rates. He also said:

'Mrs P's account attracts 3.95% interest which is 2.3% higher. Working on the basis that Barclays are liable for 7 months interest at 2.3% on £89,090 this would be £1,195. Even if the assumed interest rate difference is reduced to half this that is still lost interest of £597.50'.

Regarding the amount of compensation proposed in my provisional decision, Mr P said: 'The proposed compensation is too small an amount. The compensation should be calculated on the basis of 2.3% difference in interest unless Barclays are able to provide more detailed information'.

With the above comments in mind, I first considered whether I now had sufficient information to award interest. I feel I do for the following reasons:

- *Barclays have previously indicated they would be prepared to pay interest albeit from November 2022*
- *Barclays should have data on the interest the late Mr P's account was earning*

Therefore, I think it fair and reasonable to now add this to the amount of compensation I awarded. So, unless Barclays provide information to show this is incorrect and a lower interest rate should apply, I think the rate should be the difference between 1.65% and 3.95% which is the 2.3% Mr P has stated.

I then reviewed the file again to determine the period that this should apply from and whether it should be from a date earlier than 11 November 2022.

Having done so, there is a lack of file information on events and communications that occurred at the branch, including around ISA eligibility, prior to 11 November 2022. So, although I appreciate Mr P's points, I don't think it would be fair to ask Barclays to backdate interest beyond this date.

So, having considered the above and looked at the file again, I'm issuing a second and final provisional decision which is to:

- *Still uphold this complaint*
- *Require Barclays to:*
 - *Pay Mrs P £350 compensation less any amounts already paid*
 - *Pay interest of 2.3% on £14,630 for 126 days, for the period 11 November 2022 to 16 March 2023, which totals £116.16*
 - *Pay interest of 2.3% on £74,460.73 for 146 days, for the period 11 November 2022 to 5 April 2023, which totals £685.04*

As mentioned above, the interest payments may be reduced if Barclays provide information to show a lower interest rate should be applied.

My second provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint. I require Barclays Bank UK PLC to:

- *Pay Mrs P £350 compensation less any amounts already paid*
- *Pay interest of 2.3% on £14,630 for 126 days, for the period 11 November 2022 to 16 March 2023, which totals £116.16*
- *Pay interest of 2.3% on £74,460.73 for 146 days, for the period 11 November 2022 to 5 April 2023, which totals £685.04*

I'll look at anything else anyone wants to give me – so long as I get it before 21 March 2024. Unless that information changes my mind, my final decision is likely to be as I've set out above.

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.

Both parties replied before the deadline to say they accepted my second provisional decision.

So, due to this and no further arguments or evidence having been produced in response to my second provisional decision my view remains the same.

I therefore adopt my second provisional decision and above reasons as my final decision.

My final decision

For the reasons I've given in my second provisional decision my final decision is to uphold this complaint.

I require Barclays Bank UK PLC to:

- Pay Mrs P £350 compensation less any amounts already paid
- Pay Mrs P interest of 2.3% on £14,630 for 126 days, for the period 11 November 2022 to 16 March 2023, which totals £116.16
- Pay Mrs P interest of 2.3% on £74,460.73 for 146 days, for the period 11 November 2022 to 5 April 2023, which totals £685.04

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 17 April 2024.

Paul Douglas
Ombudsman