

The complaint

Miss G complains that Barclays Bank UK Plc fraudulently misled her about an Individual Savings Account (ISA) by suggesting she would incur charges against its own terms and conditions.

What happened

Miss G held a one-year fixed term ISA which started on 15 June 2021. On 9 April 2022 Miss G called Barclays to enquire about opening a new ISA. When she couldn't reach Barclays, she opened another fixed-rate ISA online. On 11 April 2022 Miss G requested Barclays close her original ISA. Barclays advised her this would incur charges as the ISA hadn't reached the end of its fixed term. Miss G complained as she didn't want to pay any charges and didn't think she should have to.

Miss G continued to call Barclays, but was unable to reach anyone. On 26 April 2022 Miss G asked Barclays to close her new ISA, and she was offered £25 for the lack of a call back from the complaint team. Miss G had to contact Barclays again as the £25 wasn't received. In its response to her complaint of 20 June 2022 Barclays confirmed to Miss G that her new ISA was closed on 5 May 2022, and her previous ISA was closed having run full term.

Miss G said when she tried to contact Barclays about opening an ISA, she was kept waiting over five hours. She decided to open an ISA, but changed her mind later that day and asked Barclays to close it, but Barclays gave excuses saying it couldn't do that and if it did, she would incur extra charges. Miss G said in the following days, she called Barclays' complaints team for five hours with no answer and was disconnected. She discovered Barclays allows ISAs to be closed within 14 days at no extra charge and said it had lied to her and acted fraudulently.

Barclays responded to Miss G by apologising for delays in contact and misinformation about the timescale for its response to her complaint, and paid £75 compensation. Barclays said it closed her new ISA on 5 May 2022, and her previous ISA at the end of its term and transferred her funds into a savings account.

Miss G said she waited days for a call from Barclays' complaint team, and after four months its resolution to her complaint was an apology and £75. She thought this very little for the severe physical and mental impact with distress, and anxiety and not being able to concentrate at work. Miss G said she's been caused £5,000 loss as she wasn't able to transfer funds from her ISA on a specific date to another account.

As Miss G wasn't satisfied with Barclays' response, she referred her complaint to our service. Our investigator didn't recommend the complaint be upheld. She didn't think Barclays had made an error and had correctly informed Miss G additional charges applied to a fixed term ISA closed early. The investigator thought Barclays' payment of £75 compensation for Miss G's distress and inconvenience, was fair for the slight delays.

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 have looked at the sequence of events and communications between Miss G and Barclays regarding her ISAs to see if Barclays acted in accordance with its terms and conditions and treated Miss G fairly. Barclays' records don't show delays in Miss G's contacts of five hours before she took out the second ISA, though it has said that it disconnected one of her subsequent calls.

Barclays' call notes indicate that when Miss G made contact on 9 April 2022, she thought she had made a mistake by opening a new ISA and asked for old ISA to be closed. She was unhappy to be informed that charges would apply, and complained.

There appears to have been some confusion regarding the term of Miss G's existing ISA, and Barclays' reference to charges. Miss G may not have been aware when she enquired about a new ISA that her existing ISA still had two months to run. I can see that Barclays alerted her to the charges that would apply if she closed her existing ISA early. This was in accordance with Barclays' terms and conditions, and I think it acted correctly.

Miss G appears to have interpreted this as meaning that Barclays would apply charges if she closed her newly opened ISA, however, this was clearly not Barclays' intention. Miss G is correct to say that a customer may close an ISA within 14 days without incurring charges under Barclays' terms and conditions. Barclays' information on charges should have been helpful to Miss G but confusion between the ISAs meant this wasn't the case. However, there was no misinformation about this from Barclays and no error regarding the closure of the ISA accounts. Barclays carried out Miss G's instructions about her ISAs after a short delay.

Although there may have been confusion regarding the dates and charges for Miss G's ISAs, I haven't seen anything to support Miss G's suggestion that Barclays lied to her and acted fraudulently.

Miss G said she's been caused £5,000 loss as she wasn't able to transfer funds from her ISA on a specific date to another account. But had she done so she would have incurred charges for early closure, which she wanted to avoid. I haven't seen any evidence that Miss G was caused losses by Barclays' handling of her ISA accounts, though I can understand her frustration at the difficulty she faced in reaching its staff about her situation.

Miss G said it took Barclays a total of four months to deal with her ISA instructions and her complaint. Miss G's first enquiry was 9 April 2022 and Barclays' final response to her complaint was on 20 June 2022. During this time Miss G sought an answer to her complaint unsuccessfully and I can understand her frustration. Barclays paid Miss G £75 compensation for the time she spent trying to get through, and its delayed response to her complaint, and I think this is fair.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 31 July 2023.

Andrew Fraser
Ombudsman