

The complaint

Mr F complains Barclays Bank UK PLC (Barclays) closed his Individual Savings Account (ISA) as it remained dormant, despite him contacting them to prevent this happening.

What happened

Mr F says he received a letter from Barclays in February 2022 advising him that as his ISA had remained dormant for some time, it intended to close the account in May 2022 unless he contacted them. Mr F says he telephoned Barclays in February 2022 and completed a declaration for his ISA over the telephone and was assured this had dealt with the matter. In December 2022 Mr F opened an ISA with another provider and asked it to transfer the monies out of his Barclays ISA.

Mr F says he was informed by the new provider later in December 2022 the transfer had been rejected. Mr F says he telephoned Barclays in late December 2022 to discuss this and was kept waiting for a considerable length of time only to be informed his ISA had been closed and that he would need to go into his branch to discuss this. Mr F says he was advised at the branch he needed to put the details in an email as the ISA was made dormant by Barclays. Mr F says what followed was a series of lengthy phone calls and branch visits until Barclay eventually re opened his ISA in late February 2023 in readiness to transfer the monies to a new provider, which finally took place in mid-March 2023.

Mr F says he has gone through an unreasonable level of stress and worry during this time and Barclays' process even after it had realised its mistake took many weeks before the ISA was re-opened, and the monies returned to him. Mr F doesn't feel Barclays offer of redress of £200 and the interest refunded goes far enough, and it should pay him the same interest he would have had to pay if he had borrowed those monies, as he believes it has in effect borrowed those monies from him.

Barclays accepts it made a mistake when Mr F telephoned them in February 2022 to prevent the ISA becoming dormant. Barclays says it has apologised for that and offered Mr F £200 by way of redress for the trouble and upset caused and to pay any loss of interest since December 2022, when he intended to open an ISA with another provider.

Mr F wasn't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt it was clear Barclays had made a mistake, but its offer of compensation was fair and reasonable in the circumstances. The investigator says Barclays paid Mr F the interest he would have earned while his ISA was made dormant and in addition agreed to pay him interest at the rate offered by his new provider from the date it received the request from the new provider – so Mr F wasn't financially disadvantaged. The investigator felt the offer of £200 by way of compensation was fair here.

Mr F didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr F to learn his ISA had been closed and made dormant by Barclays despite him contacting them earlier to prevent this.

The first thing to say here is Barclays have accepted it made a mistake, so when looking at this complaint I will consider if it adequately compensated Mr F for that.

Mr F's complaint centres around the fact despite him contacting Barclays in February 2022 to ensure his ISA wasn't made dormant it still did so, preventing him opening an ISA with a new provider and creating considerable inconvenience, stress and worry in the process.

I won't repeat everything that's already been said here as the background is well known to both parties. What is clear is Mr F did contact Barclays in February 2022 having received a letter advising his ISA would be closed and at that point he was told the matter had been dealt with. Mr F's issue is not only did Barclays make that mistake, the knock on effects were very stressful and involved various lengthy phone calls and inconvenient branch visits before the matter was put right.

It's worth mentioning that Barclays process for recovering dormant funds is usually 12 weeks but here from the information I have seen it was concluded in six weeks. Additionally, it's also worth saying that Barclays have informed this service their standard process when closing a dormant account, is to write to inform its customers it's going to do that in advance, and it did that here in February 2022, and it doesn't send a letter when it has closed the account, as Mr F feels it should have.

While I understand the point Mr F's makes here, it's not for me to tell Barclays what processes and procedures it must adopt in these circumstances as that's not the role of this service. We now know of course Mr F did contact Barclays in February 2022 and this is the centre of his complaint.

Mr F also feels Barclays' process to rectify the mistake took a lot longer than it should and in his view, as it has kept his money for that time, it should now pay him the same interest rate it would charge its customers for borrowing money.

Without trying to minimise the frustration and upset this would have undoubtedly caused Mr F here, what I'm being asked to do is to penalise Barclays for a mistake it has accepted it made and has apologised for. It's not my role to penalise businesses like Barclay's when issues like this arise, instead I have to impartially consider what's fair and reasonable in all the circumstances of a complaint.

Having done so here, while I can see how strongly Mr F feels about the situation I have to take into account Barclays agreed to pay Mr F for any loss of interest he would have suffered as a result of its mistake. So, it's fair to say Mr F hasn't suffered any financial loss here.

Additionally, Barclays have apologised for that mistake and agreed to pay Mr F £200 for the trouble and upset this matter has caused. While Mr F feels this doesn't go far enough and it

should pay him 35% interest over this time , I'm not persuaded by his argument as that would be asking this service to penalise Barclays – and as I've already explained that's not my role here.

I think Barclays has taken fair steps to compensate Mr F here and he should contact them directly if he now wishes to accept its offer of redress.

While Mr F will be disappointed with my decision, I won't be asking anymore of Barclays here.

My final decision

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 December 2023.

Barry White
Ombudsman