

The complaint

Mr P complained about the service provided by Barclays Bank Plc. He said Barclays did not transfer shares he held in an ISA, to a third party before it was delisted. He said this resulted in him incurring investment losses.

What happened

In September 2021, Mr P contacted Barclays and discussed with it the demerger of one of his shareholdings. His holding in the original company was due to be delisted from a UK based exchange and instead was going to be traded through Nasdaq in the US.

Mr P was aware that at that time, Barclays only allowed UK based investments within its ISA. So, on 20 September 2021, he called them to discuss what would happen. During the discussion, it was mentioned between the parties that the shareholding could be transferred to another provider that does allow for trading in the US.

Mr P contacted Barclays on 7 October 2021 and requested it proceed as soon as possible to transfer the shareholding to a third party and put in a transfer request. At this stage the representative from Barclays said they couldn't guarantee the transfer would take place in time.

The transfer didn't happen before Mr P's shares delisted and the holding remained with Barclays. The third party then cancelled the transfer, as it said it could see the shares had delisted.

Mr P said Barclays had opportunities to make the transfer happen before the shares delisted. He provided email exchanges from Barclays and the third party where it didn't respond to requests to complete the transfer. He said for a long period of time, Barclays held around £20,000 of stock locked in his ISA account, that he could not trade with. Mr P said Barclays were at fault here because it failed to respond to the third party's requests to complete the transfer. He complained to Barclays about this.

Barclays replied and said it could see it had made an error. It said it didn't communicate properly with Mr P and offered £150 payment for distress and inconvenience. It said though that although it missed emails from the third party, it would have made no difference on the stock delisting and the transfer not going ahead.

Mr P wasn't happy with Barclays' response. He said Barclays should pay him compensation as it has caused his funds to be tied up and locked in with it. He said he has missed out on investment opportunities by not being able to sell the stock and reinvest. He said he also has lost money on the investment, that wouldn't have incurred if he had sold the stock. Mr P complained to our service.

Our investigator looked into Mr P's complaint and didn't recommend that it be upheld. She said she felt Barclays' offer of £150 compensation for distress and inconvenience was fair. She said she had seen documentation from Barclays that showed even if it had responded to the third party in a timely way, the transfer wouldn't have gone ahead, as the stock had already at this stage been delisted.

Mr P didn't agree and asked for an ombudsman review and so his complaint 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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I do not uphold Mr P's complaint. These are my findings that explain why:

- Mr P initially called Barclays on 20 September 2021 to discuss what he should do about his shareholding in a company that was due to be delisted. The company was moving to a US based exchange, Nasdaq, and at that time Barclays did not support the trading of US shareholdings. The parties discussed the possibility of Mr P transferring the holding to a third party, that would allow for trading in the US.
- Mr P called Barclays on 22 September 2021 to try and make the transfer of the stock happen, but unfortunately the line was disconnected. The parties disagree about what happened after this phone call. Barclays says it tried to call Mr P on the same day but couldn't get hold of him. Mr P says this didn't happen.
- Barclays has recently provided a screenshot that shows it tried to call Mr P twice after the initial call was disconnected. It said it tried both times but couldn't get hold of Mr P. After seeing this screenshot, I think it is more likely than not that it did try to contact Mr P and continue the discussion about the transfer but couldn't get through to him. I think at this stage it did make some effort to contact Mr P. After this point, Mr P completed and sent a signed transfer form. The third party received this on 6 October 2021.
- Mr P called Barclays on 7 October 2021 and requested that it proceed with the transfer as soon as possible. I have been able to listen to this phone call as Barclays has provided a recording of it. There has been some dispute between the parties about what was discussed between them during this call, but having listened to the recording, I have been able to hear what was said.
- Mr P was concerned during this phone call about the transfer taking place as soon as possible. He said the stock would be delisting shortly and he needed it to take place quickly otherwise the delisting would create problems. The representative from Barclays said she couldn't promise anything and that a transfer can take up to 30 days to complete. So, I can hear from this recording that Barclays did try and manage expectations that the transfer may not happen in time. It also said it could take up to 30 days, the amount of time stated in Government guidance that it should reasonably take to carry out a transfer involving stock.

- Barclays sent a valuation over to the third party on 13 October 2021. The third party then sent back proposed trade and settlement dates of 18 and 20 October 2021. Barclays has admitted that it missed the email from the third party at this point.
- Mr P says that Barclays missing the email at this point is the fundamental mistake that it made. Barclays acknowledges that it made a mistake in its communication to the third party and Mr P. It says though, that it wouldn't have mattered because by the proposed trade and settlement dates quoted by the third party, the stock in question had already been delisted.
- I have looked at this as, there is a dispute here between the parties. Mr P thinks Barclays could have still transferred the holding on the dates provided by the third party. Where-as Barclays says it couldn't have done this anyway.
- Barclays has provided a screenshot of Mr P's account holdings from that time. It shows on this screenshot, the stock in question being removed before the proposed dates given by the third party. Based on what I have seen here, I am persuaded the shareholding had been delisted or at least couldn't have been transferred by Barclays anyway, on the dates provided by the third party. So, although I can see that it missed the email from the third party, I don't think it would have made a difference to it being able to transfer Mr P's stock.
- Mr P put in a transfer request on 7 October 2021, and then shortly after this date the shareholding he wanted to transfer had been delisted. Mr P is unhappy with Barclays for not carrying out this transfer, but from what I have seen, and the evidence provided, it simply didn't have enough time to carry out Mr P's request. Even if it had responded to the trade and settlement dates provided by the third party, it wouldn't have been able to carry out the transfer as the stock had already been delisted. So, taking this into consideration, on balance, I don't think Barclays are responsible for the transfer not happening before the stock in question was delisted.
- Barclays did say it should have communicated what was happening more effectively. I agree with it about this. It could have told Mr P what had happened with the shareholding a lot sooner than it did. For this, I think it has caused Mr P some distress and inconvenience.
- Barclays also offered £150 in compensation for the distress and inconvenience caused. When I consider all the circumstances in Mr P's complaint, I think this offer is fair and reasonable.
- Finally, Barclays now offers trading for some US investments including Mr P's shares, so as I understand it, he can now trade his shares through Barclay's ISA.

Looked at overall, Barclays has offered compensation of £150 for distress and inconvenience caused. I think this is fair and reasonable in the circumstances. I can see that it has already paid this to Mr P, so it doesn't need to do anything else.

My final decision

I do not uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 August 2023.

Mark Richardson
Ombudsman