

The complaint

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

What happened

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

Mrs J arrived back from holiday on 29 April 2022 and expected the transfer to have completed. However, she 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 Mrs J wasn't able to benefit from the new cash interest rate with TP. Mrs J says her funds weren't credited to her cash ISA with TP until July 2022.

Mrs J complained to Barclays as she was unhappy with the time it took to complete the transfer. She said the delays had led to a financial loss as her ISA value on 21 March 2022 was £10,583.63 but she only received £10,026.58 when the transfer completed (a loss of £557.05). She also said Barclays had continued to charge her 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, she said TP had confirmed it would credit her cash ISA with interest at 0.85% p.a. from the date of the cheque. This meant she'd missed out on potential interest on her cash ISA for the whole of April and May 2022. She said she was prepared to grant Barclays the 30 days from instruction and so she expected Barclays to cover the expected interest for May. Finally, Mrs J said she spent a lot of time and effort chasing Barclays to get more information about the progress of the transfer. And so she felt she should be compensated for the distress and inconvenience caused.

Barclays considered Mrs 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 Mrs 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 (crystallised loss) and it settled on 26 May 2022. It then sent a cheque for £10,026.58 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 5 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 days from date of transfer, which it failed to do, and so it upheld this part of the complaint.
- It offered to refund Mrs J the interest from 3 June 2022 to 5 July 2022 - and rounded it up to £20 (from £7) as well as a further £100 for the distress and inconvenience caused.

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

One of our investigators considered Mrs 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 to 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 completes transfers with TP on a regular basis, so expectation is TP would have been aware of the address used to process these.

Mrs J didn't accept the investigator's findings. She 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 she visited in branch. Instead she was told by Barclays to use the address stipulated on her paperwork, which she 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 Mrs J's transfer of her ISA with Barclays to TP was caused by her entering the incorrect address for the Barclays Smart Investor team. Barclays says the fault for this lies with either Mrs J - as Mrs 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.

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

Mrs J's records show that she 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 her ISA with Barclays. I think this was the first opportunity Barclays had to provide her 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 Mrs J to use the address on her paperwork. Rather it ought to have advised her to call Smart Investor herself or called to get this information for her.

Furthermore, Mrs J's records show that she 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, Mrs J says she 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 Mrs J could have got the incorrect address from her ISA paperwork without Barclays' help. Whilst I appreciate Mrs J could have contacted the Smart Investor team directly, it's clear that Mrs J prefers to go in branch to make her banking and investment transactions and Barclays failed to ensure she had the correct address when she first instigated the transfer. If it had done so, I don't think the subsequent delays would have occurred.

Responses to my provisional findings

Mrs 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 Mrs 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 Mrs 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 Mrs J did discuss this with the branch staff, and she 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, Mrs J has a detailed diarised account of what was discussed, with whom and at what time. As such, I'm persuaded her account of what happened is accurate and reliable. Furthermore, looking at the ISA transfer form, Mrs J has written, "as discussed with Barclays, they require me to quote [ISA identification number]". This supports Mrs J's records that she was provided with guidance from the branch staff. So, I remain satisfied that Barclays failed to refer Mrs J to the correct Smart Investor channels and instead gave her misleading information which has in turn delayed her 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 Mrs J the interest she missed out on from her new cash ISA with TP for the period of 3 June 2022 to 5 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 £7 to £20 fairly compensates her for any additional administration fees she had to pay.

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

If Barclays had initially helped Mrs J by providing her with the correct address to put on the transfer form, I'm satisfied Barclays would have liquidated her 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 her 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 Mrs J's stock by 1 April 2022.

So to put things right, I think Barclays should calculate what value Mrs J would have received if it had liquidated her stock on 1 April 2022 ("A") and compare this to the value she received when it liquidated her stock on 23 May 2022 ("B"). If A is more than B, then Barclays should refund her 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 Mrs J had to do a lot of chasing and enquiring regarding the delays to her 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 Mrs J redress as set out above.

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

Ben Waites
Ombudsman