

## The complaint

Mr V complains that Barclays Investment Solutions Limited ('Barclays') failed to set-up a direct debit to pay ongoing fees on his stocks and shares Individual Savings Account ('ISA').

## What happened

Mr V's ISA was transferred to a Barclays Smart Investor ISA in 2015 when Barclays acquired the account. Shortly after this Barclays told Mr V that the ongoing account fees would be deducted from the sale of units within the ISA, or he could supply a direct debit for these to be paid for from another of his bank accounts. Mr V attempted to set up a direct debit in mid-2021 and Barclays tried to verify his bank account electronically, but this failed.

Mr V then provided verification documents in the post but unfortunately, Barclays says it was still unable to verify the account. Mr V then went into a local branch and provided his passport and bank statement, but the direct debit he'd sent to Barclays wasn't activated.

Mr V complained and Barclays issued a final response and said it didn't uphold the complaint. Mr V brought the complaint to the Financial Ombudsman Service. One of our Investigators looked into things and thought that Barclays hadn't provided Mr V with sufficient clarity about what he needed to do to set-up the direct debit. The Investigator thought that Barclays hadn't responded to emails sent by Mr V's representative between December 2021 and February 2022. The Investigator thought this had caused Mr V distress and inconvenience as he and his representative thought the verification issue had been resolved. The Investigator thought Barclays should pay Mr V £150 to reflect this, and that Barclays should explain to Mr V again what it requires him to provide so that it could reconsider verification.

Mr V and Barclays asked that an Ombudsman decides the complaint.

Although I reached a similar outcome to that of the Investigator, I thought the remedy should go a little further and I decided to issue a provisional decision and ask for further comments from Mr V and Barclays. In my provisional decision I said:

*"When Barclays acquired Mr V's ISA it wrote to him to explain he could pay the ongoing charges by direct debit, or by unit encashment. I've seen that this information – and the opportunity to pay the charges by debit card – was also included on regular statements. So, I'm reasonably satisfied Barclays explained what Mr V needed to do if he wanted to pay the charges by direct debit. As Mr V has previously paid the ongoing fees using his debit card, I'm mindful he was aware this is an option available to him."*

*In June 2021, Mr V and his representative spoke with Barclays on the telephone and discussed unpaid fees within the ISA. Mr V paid these using his credit card. Around this time Barclays sent Mr V a direct debit mandate for future ongoing charges to be collected from an account he has with another bank. Barclays says it holds a completed direct debit mandate but as this is now more than 12-months old a new direct debit mandate is now required."*

*Mr V has provided a copy of the "Completing your Direct Debit Mandate" instructions*

*Barclays sent to him in mid-2021. The says, "Please note: by returning this form you'll automatically be setup to pay your monthly Smart Investor fees by Direct Debit..." The same document explains that if the direct debit is for an account with another bank, further verification is required – and it provides details of acceptable verification documents.*

*Taking into account what Barclays has said, it seems more likely than not that it received a completed direct debit mandate but that at that time it wasn't satisfied with the verification documents Mr V sent. I can't tell Barclays what documents it should consider – it's a matter for Barclays to decide whether the documents Mr V provided satisfied their requirements. Barclays wrote to Mr V on 19 July 2021 to tell him it required additional verification, and it seems that Mr V and his representative visited a local Barclays branch soon after this letter was sent. I can't see that this resolved the matter, but on 13 December 2021 Mr V's representative sent an email to Barclays that included a photograph of Mr V's nominated bank statements and asked that the direct debit mandate be used to pay for charges on his ISA. Barclays has since confirmed that the nominated bank account details were changed on his ISA account on 15 December 2021. Therefore, I intend saying that it's reasonable for me to conclude the verification issue had been resolved at this time.*

*Mr V emailed Barclays in early 2022 to ask for an update and when he received no response to his query why the direct debit hadn't been set-up he complained.*

*In its complaint response Barclays accepts there were problems in verifying Mr V's nominated bank account but said it had taken reasonable steps to notify Mr V of the account position. Barclays has been unable to confirm when it told Mr V that the reason the direct debit wasn't activated was because he hadn't provided instructions for it to be set-up for the payment of the fees on his stocks and share account. Barclays says Mr V would need to provide this instruction and a new direct debit. But Mr V's email of 13 December 2021 had already provided this instruction. I haven't seen any evidence that persuades me Barclays responded to the email sent on 13 December or the update requests sent by Mr V's representative. So, I intend saying it's more likely than not that Barclays received an instruction in Mr V's 13 December email as Barclays changed the nominated bank details two-days later on Mr V's ISA account – but crucially Barclays didn't act on this instruction.*

*I intend saying that Barclays should have done more than it did to make it clearer to Mr V what he needed to do to complete the set-up of the direct debit, and this has caused Mr V some distress and inconvenience.*

*As well as paying Mr V £150 for the distress and inconvenience this matter has caused, I intend asking Barclays Investment Solutions Limited to provide Mr V with a new direct debit mandate to complete so that he can return it to a nominated department. And, when Mr V returns the new direct debit Barclays Investment Solutions Limited should accept the instruction it received in the email Mr V sent it on 13 December 2021 to amend his account so that any future ongoing fees for his stocks and shares ISA are collected by direct debit."*

*In a response to my provisional decision, Mr V's representative asked that I take into account that Mr V had been caused significant inconvenience over many weeks or months, and that the delay in resolving the complaint has resulted in administration fees being deducted from the ISA.*

### **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.*

Mr V and his representative brought the complaint to the Financial Ombudsman Service in June 2022. It has taken longer than expected for an Ombudsman to decide this complaint and I'm sorry for the delay and any further upset this may have caused Mr V. However, I'm satisfied that my provisional decision provides a reasonable picture of what happened in this case. Barclays should have done more than it did to make it clear what Mr V needed to provide to ensure the payment of fees from his ISA could be collected by direct debit. I'm satisfied that this caused Mr V distress and inconvenience, but I don't think it was significant. I will now explain why.

Mr V attended a local branch to provide verification documents, and although Barclays communication with Mr V – and his representative – could have been clearer when explaining why the direct debit hadn't been set-up, I can't see that a further branch visit was required. Mr V's representative did make telephone calls to try and resolve the matter, but I don't think this would have caused Mr V significant inconvenience. I'm persuaded that a payment of £150 is a fair and reasonable remedy in the circumstances of this case and fairly reflects the impact on Mr V.

Mr V's representative says that Mr V continues to have the fees on his ISA account deducted from the investment by unit encashment. This may be the case. However, I've decided it would be unfair to ignore that Mr V was aware these fees could be paid by debit card if he wished. This information was included on his regular ISA statements and, crucially in my opinion, as Mr V paid fees this way in mid-2021, he would have known he had this option available to him.

Taking all of the circumstances of this complaint into account, I've decided to adopt my provisional decision as my final decision.

### **My final decision**

For the reasons I've provided above, Barclays Investment Solutions Limited should pay Mr V £150 for the distress and inconvenience this matter has caused him. Barclays Investment Solutions Limited should also provide Mr V with a new direct debit mandate to complete so that he can return it to a nominated department. When Mr V returns the new direct debit mandate Barclays Investment Solutions Limited should accept the instruction it had on 13 December 2021, and amend Mr V's account so that any future ongoing fees for his stocks and shares ISA are collected by direct debit

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 19 February 2024.

Paul Lawton  
**Ombudsman**