DRN-4587549

The complaint

Mr F complains that Barclays Bank UK PLC (Barclays) gave misleading information about an execution price. Mr F believes he lost out as a result of being given confusing information.

What happened

On 31 May 2023, Mr F called Barclays to sell 11085976 units of Barclays UK Alpha Fund. Mr F received less than he had expected. He recalled being quoted a price of £5.889 whereas the price applied was £5.784. Mr F also maintained that he was misled during a call with the agent, who said he would receive the price for the next day.

Barclays maintain that Mr F held units in a fund, which traded generally once a day at a pre-determined time decided by the Fund Manager, unlike equities which trade throughout market opening hours. Barclays further say orders for sale are effectively placed “at best” as the orders are “forward priced”, this being the standard pricing model when trading with funds, pursuant to COLL 6.3.9, the rules for Collective Investment Schemes set by the regulator, the Financial Conduct Authority.

Barclays acknowledge there was a call with an agent. Mr F was advised that the price on screen was “indicative”, so it could change. Barclays accept the agent was unclear as to the next price point, but as Mr F did receive the prevailing market rate at the next pricing point, in line with the usual process, there was no error.

Our investigator considered the complaint and decided not to uphold it. He considered that Barclays had properly applied forward pricing and that the correct price was applied. Mr F had called before the cut-off point and the sale was carried out at the price as at 11pm. Our investigator also relied upon a transcript of the call, to show that Mr F was advised the price quoted was indicative.

Mr F does not agree with the view. He maintains that the agent caused confusion over the price because he said the trade would be actioned the next day. Mr F effectively says Barclays should honour the price for 1 June. Mr F highlights that an offer of £50 was for a different matter.

As the parties do not agree, the matter has come 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.

Having reviewed the information provided by both parties, on balance I find that the order was forward priced in line with the pricing model in COLL 6.3.9. The evidence from the time shows that the order was placed before the cut off of 4pm at 3.27pm and the next price point was at 11pm on the same day, 31 May. I’ve seen screenshots to show that the price for 31 May was properly applied, albeit it was processed on 1 June. I understand Mr F’s disappointment that the price on 1 June wasn't applied, but I can't fairly say that Barclays did anything wrong here.

I've considered whether Mr F was misled during the call. I've considered the entirety of the transcript of the call with the agent. I've seen that the agent explained the value on screen was indicative and the fund was priced once a day. The agent explained that the price would trigger at the next price funding set by the fund manager. And whilst he said the price would be that of the next day rather than next pricing point, I can't fairly say now that this would have made any difference to Mr F's instruction to sell. It is clear from the transcript of the call that Mr F was initially confused, stating that he *assumed* the price would be that showing at the time he called but the agent expressly stated that as it was a fund, priced once a day, the instruction would go through at "market best". Mr F said that was fine as long as the price didn't go down and in response the agent clarified that the price may go down or may go up and it was possible Mr F may get less. He repeated again that the price could not be locked in because this was a fund, the sale could only be put through at "market best."

Considering the information given as a whole, I'm satisfied Mr F knew or ought reasonably to have known that a future price would apply and that no guarantees were being given during the call. Mr F asked the agent to proceed with instruction for sale against this background. It is unfortunate that the price dipped on 31 May 2023, but on balance as I've explained above, I am satisfied that Barclays did apply the correct price in line with their process, so I am not persuaded that Mr F has suffered any financial loss. I agree the agent could have been clearer and it would have been more accurate to refer to the next pricing or valuation point rather than saying the next day, but when viewing this information in context I don't agree it materially misled Mr F at the time he placed the instruction for sale or that he would have done things differently, the agent was clear that the price could move up or down at the next price point and that the indicative price was not guaranteed.

I have seen that Barclays apologised for Mr F being put to the inconvenience of having to make a second call to get the case reviewed, Barclays have offered Mr F £50 for shortcomings and I think that is fair and reasonable in all the circumstances. It is now for Mr F to decide whether to accept this offer.

My final decision

For the reasons given, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 April 2024.

Sarah Tozzi
Ombudsman