

The complaint

Mr M complains that Barclays Bank UK PLC failed to transfer an ISA from a different bank. Mr M said he lost out on interest when this happened, and Barclays accepted responsibility for that so it told him it would cover his loss. But then it refused to do so.

What happened

Mr M told us he'd opened a new ISA account with Barclays, and started trying to transfer his ISA there from a different bank, in January 2023. He was keen to get this done, because the interest rate offered on ISA savings by Barclays was significantly better than he was getting at his old bank. But the transfer he asked Barclays to carry out for him then failed.

Mr M said he'd spoken to a member of branch staff about this on a number of occasions, when he'd been told the problem was a mistake made by that staff member, and that Barclays would cover his loss. But the transfer didn't happen, and no payment was made. Eventually, he registered a complaint, and Mr M referred this complaint to our service in June 2023. He said Barclays still hadn't transferred his money, and although it had acknowledged his complaint, it had never responded to him.

Barclays said that it had opened a new ISA account for Mr M, and it tried to transfer his existing ISA funds to it in January 2023. It showed us that a transfer request made in January was rejected, due to an information mismatch. It said it had then written to Mr M, to say something must be wrong with the details he had given it, and it set out his name, date of birth, address and national insurance number. Barclays said Mr M needed to get in touch to correct whichever piece of information was wrong.

Barclays said it had just never heard back from Mr M about this. And it said it had tried the transfer again in June. This also failed, and it had written in the same terms to Mr M about this. It had also tried to contact the other bank, that Mr M wanted to transfer his ISA from, to ask what the problem was, but it received no response.

Barclays said it had done its best, and what had gone wrong here wasn't its fault. Our investigator said he didn't think this complaint should be upheld.

Mr M then replied, to say we hadn't realised why things had gone wrong. He said he hadn't received the letters Barclays referred to, asking him to check his details. But he said he did have a considerable amount of email correspondence between himself and a branch member, showing he'd been trying to sort out this transfer well after Barclays said it had abandoned the attempt, in January.

Mr M said he thought he knew what had gone wrong. He said that the member of staff he'd been communicating with, had accepted over the phone that he'd made a mistake, and had transposed the account numbers he'd been given for Mr and Mrs M. So that's why the transfer didn't go through.

Mr M said he'd repeatedly been led to believe, by the same staff member, that this was all being sorted out. Mr M said these emails, which he sent us, and his calls to the complaints

department, didn't appear to have been taken into account in Barclays' version of events.

Mr M said while Barclays was telling him it would sort this transfer out, it was also telling him it would compensate him for any lost interest. And Mr M sent us emails which said this. He said if Barclays hadn't repeatedly assured him both that it would resolve the issues with the transfer, and that the interest would be backdated, then he would simply have transferred the money to a different bank, because there were many other banks offering better interest rates than the one he was getting at the time.

Barclays said whilst it didn't dispute that the emails Mr M had sent us were genuine, it couldn't confirm that, because it no longer had a member of staff by that name. But Barclays said it would only ever have promised to adjust interest if Mr M's ISA did actually transfer his money to Barclays in the end. And Mr M had changed his mind about that. He'd recently transferred his ISA elsewhere, so Barclays didn't think it should pay.

Our investigator then reached a different view. He said Barclays should pay Mr M £150 in compensation, to make up for the poor service it had provided. But he didn't think Barclays had to pay Mr M for lost interest, because Mr M had moved his ISA elsewhere.

Barclays accepted that. But Mr M didn't agree. He said he'd only decided to move his money elsewhere after our investigator's first view, which said Barclays didn't have to do anything. He'd lost over 8 months of access to a better interest rate, waiting for Barclays to resolve this. And he said that the promises Barclays made about refunding interest didn't say this would only happen if the transfer was eventually successful.

Mr M has since sent us statements from the other bank, that he wanted to transfer his ISA from. He's sent us statements for both himself and his wife, Mrs M. Those statements show Mr M had funds available to transfer, from January 2023, and those funds were finally transferred out of that bank (but not to Barclays) on 29 September 2023.

Comparing the detail of those statements, and the electronic ISA transfer form that Barclays sent us, shows that the transfer form Barclays completed for Mr M contains his personal details, but Mrs M's ISA account number.

Mr M set out the interest rates which had been paid on his existing ISA between January and September. The interest rate payable on his ISA did improve during this time, but remained below the rate of 4% fixed for one year which he said he could have earned with Barclays. Mr M said he calculated his loss (based on the difference between the interest he could have earned from early January 2023, when he thought the ISA transfer should have been completed) was £515.59. He still wanted Barclays to pay that.

Because no agreement was reached, this case then came to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Barclays said it wrote to Mr M about the problems with his ISA transfer in January, and it simply never received a reply. Mr M said he didn't get that letter. I don't know why this letter didn't reach Mr M. But, having seen the content of the letter, I don't think this was likely to resolve things anyway, even if it had been safely received.

I'm satisfied, having seen Mr and Mrs M's ISA statements and the electronic transfer form Barclays used to try to move Mr M's funds, that the mistake which prevented a successful transfer was over Mr M's account number. And that information wasn't included in the letter Barclays sent in January. So I don't think that letter was ever likely to resolve things.

Mr M has told our service that he was still pursuing this transfer, well after January. He said that a member of Barclays's branch staff accepted he'd caused the error stopping Mr M's money from being transferred. Mr M sent us emails between himself and the staff member. I think these are likely to be genuine.

Although we do not have the staff member's acceptance of blame for what went wrong here in writing, looking at the branch staff emails Mr M sent us, the emails I've seen do appear to me to be consistent with what Mr M has said - not just with this error over the account numbers having been the core problem which led to the mismatch, but also with the problem having originated at Barclays, rather than Mr and Mrs M.

I do not know why Barclays' staff member didn't manage to get this information amended, and a successful transfer completed. But I can see that Mr M was repeatedly assured this would happen, and that he would be compensated for any delay. However, it appears that when Mr M complained, his complaint was at first not recorded, and then it seems likely that Barclays retried the transfer with the same details. It was again unsuccessful.

I appreciate that Barclays' ISA transfer team doesn't appear to have been made aware of the problem which was stopping this transfer. But it does look like one part of Barclays knew what was wrong. So, notwithstanding the efforts that Barclays has made to resolve this since, I do think that Barclays as a whole is responsible for those transfers not being successful in January 2023, or since.

I note that Mr M says he was repeatedly assured Barclays would make up any losses. He says that's why he persisted in trying to move the money to Barclays. I think that, given Barclays eventually said it wouldn't compensate Mr M for those losses because he'd finally moved the money elsewhere, this is an understandable decision on Mr M's part.

I have explained why I do think it is most likely to be Barclays' fault that the transfer of Mr M's ISA failed on the first attempt, and that this issue wasn't subsequently resolved for him. So I do think I should include in the award in this case, something to cover the losses I consider Mr M incurred due to this.

I don't think, however, that if a transfer had been successful in January 2023, it was likely to have happened quite as quickly as Mr M suggested. So I think Mr M's losses in interest would be a little smaller than he suggested. Looking at the difference in interest rates and tax treatment between what Mr M should have received and what he's ended up getting, I think that equates to a loss of about £450. But I also think that Barclays has provided poor service to Mr M, over an extended period. So I think Barclays should pay a total of £650 to Mr M for this complaint. My current view is that this payment would provide a fair and reasonable outcome to this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

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.

Both sides accepted my provisional decision, and neither side has offered any further evidence or argument. Having reviewed this case, I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Barclays Bank UK PLC must pay Mr M £650 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 March 2024.

Esther Absalom-Gough

Ombudsman