

## The complaint

Mr P has complained about a lack of information from Barclays Bank Plc ('Barclays'). He held an investment in an Individual Savings Account ('ISA'), but this investment was delisted. Mr P says this caused him a financial loss, and the loss of some of his ISA eligibility. He says that Barclays should have provided him with more information about this.

## What happened

Mr P trades stocks and shares on Barclays' share dealing platform. These are held within his ISA. In July 2023 one of his exchange traded funds ('ETF') that he held in the ISA was delisted from the London Stock Exchange ('LSE') and it moved to an overseas market. This was known as a 'corporate action' and was essentially a business decision made by the underlying business the ETF is linked to, to make this change. Because of this corporate action, Mr P's investment was no longer eligible to be part of his ISA and any income he received from it would also not be held in the wrapper. He could not trade the ETF as Barclays did not offer overseas trading for this type of investment.

Mr P says he regularly received information from Barclays, both about the ISA itself and the investments within it. But he only found out about this when he looked on Barclays' online application shortly after the corporate action. He says he was informed at this point that he couldn't trade the ETF and it was no longer eligible to be held in his ISA. He thinks he should have been informed about this earlier. He says that he shouldn't have been told that the responsibility to decide if the investment was right for him was his. He wants Barclays to sell his investments and for the funds to remain in his ISA. He's outlined the number of calls he had with Barclays and said that he thinks it should have provided better information to him about the events that took place.

Mr P has made this complaint to Barclays, but it has not upheld it. It said that:

- The decision to delist the ETF was made by the ETF provider and not Barclays. Barclays had no control over this, and no options were made available to investors as it was a 'mandatory event'.
- Barclays offers an execution only trading service and it's not part of this service to provide advice about the investments on its platform.
- It does pass on information from the settlement agency, CREST, but information about this delisting was not part of any new bulletins CREST provided.
- The holding is unavailable to trade, it is only available to trade on an overseas exchange in a different format. Barclays is unable to facilitate this as it can only trade standard equities on major indices.

Mr P didn't agree with what Barclays said and he brought his complaint to the Financial Ombudsman Service.

One of our Investigators considered Mr P's complaint, but she didn't think it should succeed. She noted that Mr P used an execution only service and so Barclays wouldn't always provide information about the specific investments that Mr P traded. Mr P would do this

himself. She didn't think that Barclays had acted outside of the platform terms and conditions when it didn't inform Mr P about the corporate action.

Mr P didn't agree, and he said that our Investigator didn't acknowledge that in early 2024 its transfer team had said it would get back in touch within a few days but didn't.

Mr P also talked about a corporate action that took place in January 2024 and the information he had received from Barclays about it. There was some further correspondence about this, and Barclays explained that the corporate action that took place in January 2024 was a voluntary exercise, and it did pass on the information that it was provided by the ETF. But this was a different type of corporate action that took place in July 2023.

It agreed that it should have responded in a timelier manner to Mr P in January 2024, but it also provided some background to why it is still problematic to trade in the ETF. This included information about why a recent request from a third party to transfer Mr P's ETF holdings did not proceed. So, it couldn't have helped Mr P in 2024 in any event.

I understand Mr P's investment is now tradeable (on some markets and platforms). Whilst this has taken some time, Barclays didn't initially offer ETF trading on the overseas markets. It has now developed a bespoke solution for this.

As no agreement has been reached the complaint has been passed to me to issue a 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 think it's firstly important to say that any loss that Mr P may have suffered stems from the change in the investment that he owned. As I've outlined above, the business that this ETF is linked to made a decision to change the market that it traded on from the LSE to Eurexnet in France. This meant that the ETF could no longer form part of his ISA, due to ISA rules. And he could not trade the ETF for some time.

Mr P trades on Barclays' execution only platform and so Barclays didn't have any input into the shares that Mr P bought. So, it isn't responsible for the fact that Mr P owned the ETF. And it also wouldn't have any involvement in the ETF's decision to delist from the LSE and move to another market. So Barclays isn't directly responsible for the loss that Mr P has suffered, either due to the fact that he couldn't trade the ETF or any change in value of the investment itself. And it doesn't have any control over whether the ETF, or any dividends from it, may no longer be able to be held in his ISA going forward. This would be due to HMRC rules.

The crux of this complaint is that Mr P feels that Barclays should have provided better information about the corporate event that took place – presumably so that he could've acted before the delisting came into effect. The terms and conditions of the share dealing platform say what Barclays has agreed to do in respect of this type of situation. I've reproduced these below.

*"Corporate actions and voting rights*

*3.1 Unless we agree otherwise with you, where we hold Assets which give you rights in relation to a company, including if we become aware of any proposed class action or group litigation:*

*(i) we will not be responsible for taking any action in relation to these matters, except to give effect to Default Action if you do not give us an Instruction;*  
*(ii) to the extent permitted by Regulatory Requirements we will not be obliged to notify you or obtain your Instructions in relation to these matters.*

...“

So, as a starting point, Barclays hasn't agreed to inform consumers about corporate actions or take any action about them. And this isn't unreasonable as it is an execution only platform. That is, it buys and sells investments on behalf of Mr P, but it hasn't undertaken to provide advice or information to him. This would be something Mr P would need to do himself.

And I understand that the delisting of the ETF from the LSE in July 2023 was a 'mandatory event'. This means that this delisting would happen without the input or agreement from the shareholders

Barclays has explained that it does pass on information it receives from CREST. But it has confirmed that this corporate action was not included in the information this service provided. And so, there was nothing for it to forward here. There was information available about the corporate event on services such as the Regulatory News Service, but I don't think it's reasonable to say that Barclays should've monitored the RNS to see if there was any information that may be of use to its stocks and shares ISA customers, as it is not part of the service it provides.

Even if Barclays does provide some information to consumers as a courtesy, this doesn't mean that it has to. And it is reasonable to expect an investor to monitor their investments.

Mr P has noted that he was provided information in 2024 about a further corporate action that a business he'd invested in undertook. But this was described as a 'voluntary corporate action' and I understand that Barclays was provided with information via CREST that it could forward on to him. I think this was a different situation than the corporate action that took place in 2023.

I can see that this situation regarding his ETF has changed over time and in early 2024 Mr P was in contact with Barclays to try and transfer the investment and trade it again. I agree that it would have been better if Barclays had got back to him in January 2024, when it said it would. But this wouldn't have changed the fact that trading this ETF was problematic at this time. And this was demonstrated by the third party that he tried to transfer the investment to ultimately deciding not to proceed with the transfer.

Overall, I don't think that Barclays has failed to provide any information that it should have done. And, although I do appreciate Mr P's frustration that he wasn't aware that the ETF in question had been delisted from the LSE, I don't think that Barclays has maladministered his share dealing account. Because of this, I'm not upholding Mr P's complaint.

### **My final decision**

For the reasons set out above, I don't 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 20 June 2024.

Andy Burlinson

**Ombudsman**