

The complaint

Mr J is unhappy with Barclays Bank UK PLC. Mr J said Barclays told him to wait to open a new ISA account until his existing ISA matured. Mr J also said Barclays didn't tell him the interest rates might change in the meantime. Mr J said this cost him interest as the rates did change and dropped to a lower level before he had a chance to open a new ISA account.

What happened

Mr J contacted Barclays and discussed the options around opening an account now or waiting for his existing account to mature. Mr J had noted there was an account available at this time offering 4.80% interest. The options available were explained to Mr J. At the end of the discussion Mr J said he would contact Barclays again around the maturity date of his existing account. Mr J later noticed that rate was no longer available and the new rate he could get for a similar product had dropped to 4.4%.

Mr J said he had acted based on the advice he was given by Barclays, and he wanted Barclays to give him the ISA product at the original higher rate. A call handler at Barclays said it wouldn't be able to do that but if it accepted it had advised Mr J incorrectly it would be able to pay him the lost interest, but it would need to investigate and see if any mistakes had been made.

Mr J made a complaint. But Barclays didn't agree with Mr J. It said it had listened to the two calls Mr J had made to Barclays on 8 January and on both calls the staff members involved had confirmed Mr J could open the new 4.80% ISA there and then, or he could request a transfer of funds or wait until the ISA matured and then open the new ISA. Mr J didn't accept this and brought his complaint to this service.

Our investigator upheld the complaint in part. She said Barclays gave Mr J the key facts around what he could do at maturity of the account. So, she didn't uphold the main part of Mr J's complaint. But she said Barclays didn't mention that interest rates might change. Our investigator said as Mr J wasn't informed of this Barclays should pay him £100 for any distress and inconvenience this caused him.

Neither Mr J nor Barclays accepted this. Both asked for the complaint to be passed to an ombudsman for a decision. Mr J said he wanted his lost interest and Barclays said Mr J was given clear options and information and he made the choices.

In my recent provisional decision, I said:

"Mr J said he wanted to open the ISA that offered 4.80% interest as his existing account was maturing shortly. Mr J said Barclays ought to give him the 4.80% interest rate as he was told by the Barclays agent not to open the account until the existing ISA reached maturity. He said in view of this he'd lost interest of £1,761.71. Mr J said that he should also get £150 for his distress and inconvenience as he had to call back to find out about progress on his complaint. This made a total of £1,911.71.

Mr J has also now clarified "I would not have lost 90 days of a withdrawal fee as I would have waited for my current ISA to mature and transfer the funds on the 8th February 2024."

Mr J did accept in a response to our investigator's view that the Barclays agent "did suggest I can open my account today or in one month's time" but as a customer he felt the agent could also have reminded him "that the rate might drop." Mr J said the rates weren't something that came to his mind at the time.

Barclays said it listened to both calls made by Mr J. In the first call he said, "I can open the account now and give you a call the day before (maturity) to make sure the funds go into the account." It said Mr J was clear about what he could do. Barclays followed up by confirming in the second call "the telephony agent informed our customer he could open the ISA that day, however it would not earn interest until the matured funds were transferred in. The agent also explained another option was to close the existing ISA and transfer funds to new ISA, but he would incur a fee for doing it this way." Barclays said there was no bank error, it felt it had explained all the options available.

Barclays said it can't provide financial advice and it didn't accept that the agent should've told Mr J about a potential rate change. It said the call was a non-advised one. "The agent provided the options available to our customer and it was ultimately up to our customer to make the decision."

Barclays said it would be down to the customer to ask questions and raise his concerns and that all the interest rates are always available on its website including an explanation on variable rates. It also pointed out it doesn't tell customers about interest rate changes in advance.

In view of these points Barclays said it didn't agree with the investigator about the £100 compensation for distress and inconvenience. It said its initial assessment was correct and the £100 wasn't warranted.

I've listened to the calls involved. And I think Mr J is clear about what his options are. It's clear that he knows and is made aware that he can open an account now and what he can do with that account, he's also made aware that he can open an account later. I think Mr J had clear choices he could make.

I understand the point Mr J makes about at the time when he was considering his options that interest rates didn't come to mind. But I don't think that means Barclays acted unreasonably. I accept Barclays position here that it did explain all the options and the choice was down to Mr J. It's true he didn't ask about and wasn't told about any potential interest rate changes, but I do think that's different from Barclays explaining his options. Mr J is making a choice based on the interest rates on products available to him. So, I accept the timing of the actions and taking up the options available was down to Mr J. Although I do understand his frustration, I think Barclays acted fairly and reasonably. So, I don't think it needs to make any payment for any lost interest.

As I don't think Barclays did anything wrong, I don't think it needs to pay any compensation for distress and inconvenience. Mr J has made points about the time Barclays took in complaint handling, but complaint handling isn't a regulated activity."

responses to my provisional decision

Mr J responded. He said he wasn't sure it had been made clear that his intention was to open the new ISA on that day and then wait for the existing ISA to mature so he could then transfer in funds. Mr J said the adviser told him the new product wouldn't earn any interest

until the funds transferred from the old account. Mr J said this is advice. Mr J said in all his years he'd never had an agent suggest he should open an account in a months' time to get around a loss of interest. Mr J said without these comments he would have proceeded on the day and opened the new account.

Mr J said he wasn't advised that rates might change in the meantime. Mr J said he hadn't considered this at the time. He said the agent's comments were neither required nor asked for.

Barclays acknowledged and accepted the outcome.

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 don't think Mr J was told not to open an account when he spoke to Barclays. I think Barclays explained Mr J's options to him and he made choices based on that. Mr J spoke to Barclays twice and on both occasions Barclays explained the options available. Barclays acted only on the choices Mr J made.

I understand what Mr J is saying. He's saying it was the details and options given to him by Barclays that led to his choices. But I don't think Barclays did anything wrong. It explained what Mr J could do and he was left to make his choices. I think that's reasonable. I don't think Barclays acted unfairly or unreasonably. The decisions were made by Mr J and if he had said I want to set the account up today and transfer in the funds later Barclays would have done this for him.

So, my provisional decision will become my final decision.

My final decision

I don't uphold this complaint.

I make no award against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 July 2024.

John Quinlan
Ombudsman