

## The complaint

Mrs C is unhappy that Barclays Bank UK PLC failed to transfer her cash ISA from another provider.

## What happened

Mrs C applied to open an ISA with Barclays on 11 January 2023. An account (which I'll call "Account A") was set up to pay interest at the end of the one-year term. She applied to transfer over £38,000 into her new account from another ISA provider.

Shortly after, Mrs C contacted Barclays as she wanted interest to be paid monthly. A new ISA account was opened on 14 January.

Her existing ISA provider required a signed transfer authorisation form. Barclays sent the form to Mrs C on 16 January. She signed and returned it. The form referred to Account A which had been closed on 18 January. So the transfer request failed.

In March and April 2023 Mrs C contacted Barclays as she wasn't receiving the monthly interest she'd expected. She spoke to various members of Barclays staff who tried to chase things up for her without success.

Mrs C referred a complaint to this service. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

*"Barclays realised that it needed a signed transfer authorisation form as Mrs C's existing ISA provider wouldn't accept an electronic request. So it generated the form which it sent to her on 16 January 2023. Mrs C failed to spot that the account number was wrong but it's hardly surprising that she relied on her bank to get that right. By the time that form was returned to Barclays, the account to which it related (i.e. Account A) had been closed. So the transfer couldn't be made.*

*I think Barclays was at fault in not letting Mrs C know that the transfer had failed. I appreciate that the form had probably been generated electronically and human intervention would probably have been needed to realise that a fresh form was required for the replacement ISA that paid interest monthly. Even if someone at Barclays hadn't realised that at the outset, I think it would have most likely come to light if Barclays had notified Mrs C of the failed transfer and then the process could have been restarted for the second ISA account. Where I decide that a business has made a mistake, I look to put the consumer back in the position they would have been in had the mistake not happened. I can also award compensation for any trouble and upset.*

*In this case, I think it likely that if Barclays had written to Mrs C about the failed transfer, someone would have realised a new transfer authorisation form was needed. Then that would have been signed, returned and the transfer would have been completed within 15 working days in accordance with HMRC guidelines. By my calculation but for the failures on the part of Barclays Mrs C should have been receiving interest on her ISA with Barclays from*

*the end of February 2023 at the latest.*

*Mrs C may well have continued to receive interest on her ISA while it remained with her other ISA provider. So in terms of compensation I think Barclays should pay Mrs C the difference in interest between what she received from the other ISA provider and what she would have received from Barclays. The period in question is from 28 February 2023 to 13 January 2024 being the maturity date for her Barclays account.*

*I also think Mrs C has suffered some unnecessary trouble and upset as a result of the poor service she received from Barclays. She spent a lot of time chasing Barclays by phone and in branch without success despite assurances that it would be sorted out. Naturally this would have been very frustrating and disappointing for her. In the circumstances I think the sum of £150 is appropriate to compensate Mrs C for this.”*

Barclays calculated that the difference of interest due to Mrs C was £666.28. Mrs C agreed.

### **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.

As neither party objected to my provisional findings, I see no reason to change them and they now form part of this final decision.

### **My final decision**

For the reasons given above, I uphold this complaint and require Barclays Bank UK PLC to:

- pay Mrs C the difference in interest between what she received from the other ISA provider and what she would have received from it from 28 February 2023 to 13 January 2024 being £666.28; and
- pay her compensation of £150 for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 August 2024.

Elizabeth Grant  
**Ombudsman**