

Ombudsman's Determination

Applicant	Mr H
Scheme	Burlaw Retirement Benefits Scheme (the Scheme)
Respondent	Barclays Wealth Management (Barclays)

Outcome

1. Mr H's complaint against Barclays is partly upheld, but there is a part of the complaint I do not agree with. To put matters right (for the part that is upheld) Barclays should pay £1,000 to Mr H.
2. My reasons for reaching this decision are explained below.

Complaint summary

3. Mr H's complaint against Barclays is that it incorrectly issued a cheque to him (from the Scheme) in his and his wife's name, instead of in the Scheme's name. Mr H says that he did not receive the replacement in time to invest the funds as he planned and he has suffered financial loss.

Background information, including submissions from the parties

4. Mr H and his wife held a Barclays product as part of their pension scheme. On 29 September 2014, the product matured and, on 3 October 2014, a cheque was sent to Mr H in his and his wife's names. On 6 October 2014, he contacted Barclays to point out that the cheque was supposed to be in the name of the Scheme.
5. Barclays disputed this initially but eventually acknowledged the error and promised to send another cheque. Mr H informed Barclays that it would take too long to do this and he had another investment lined up. He asked for the payment to be made via CHAPS to ensure that he could make the new investment in time. Barclays said that it could not do so and the cheque would take up to 15 working days to be sent. Mr H said that he would hold Barclays responsible for any losses he would incur if he missed out on the investment.
6. The correct cheque was sent to Mr H on 12 October 2014 but Mr H says that this was too late to meet the deadline for the new investment.

7. Mr H complained to Barclays and asked for 12% of the funds (£48,993) to be paid to him as compensation i.e. about £6,000. Barclays admitted an error caused the cheque to be sent with an incorrect payee, when it should have been in the name of the Scheme. It offered £250 for interest on the funds, and the distress and inconvenience caused. Mr H remained dissatisfied and brought his complaint to us.
8. Mr H has provided information regarding the new investment he was considering, called Investec Defensive Enhanced Returns Plan 2 (Investec Plan 2). Barclays has pointed out that the closing date for Investec Plan 2 was 26 September 2014, i.e. before the Barclays investment had matured. Mr H says that he had agreed an extension from Investec to 14 October 2014. He has provided an email dated 18 May 2016 from Investec which says "We usually allow a grace period or postal apps and we have special arrangements in place with most platforms (including SSAS/SIPP trustees) to permit late applications up to a week after the advertised close date". He said that Barclays should review the telephone calls he had with the contact centre in which he mentioned the approaching deadline.
9. Barclays has provided telephone recordings showing that Mr H did bring up the urgency required and warned that it would be held responsible for any loss. Mr H says that he ultimately invested the funds in Investec Defensive Enhanced Returns Plan 3 (Investec Plan 3) and the Meteor FTSE 5 Quarterly Enhanced Defensive Plan (the Meteor Plan).
10. Mr H says that at 7 December 2015, the difference between Investec Plan 3 and the Meteor Plan, and Investec Plan 2 was £21,758.98. As at 11 October 2016, the difference was £5,452.64.

Adjudicator's Opinion

11. Mr H's complaint was considered by one of our Adjudicators who concluded that further action was required by Barclays. The Adjudicator's findings are summarised briefly below:
 - The email from Investec is not contemporaneous and does not go far enough to confirm that Mr H's late application for Investec Plan 2 was guaranteed to have been accepted.
 - Investec Plan 2 is a six-year investment which is only about halfway through its term. There is no guarantee of investment performance over the full term of the investment, much less half, and it cannot form the basis of a claim for compensation.
 - It is unsatisfactory to wait until the end of the term to find out any notional loss/gain. The fairest way to resolve the matter would be for Barclays to take all the above into account and make a one-off payment to Mr H. However, the previous offer of £250 was insufficient.
 - Mr H informed Barclays of its error at the earliest opportunity and of the urgency of the remedy. Barclays has not said why it could not vary the method of payment

from a cheque to CHAPS or any similar (faster) system. It did not react promptly to Mr H's concerns and similar obstacles occurred during the investigation.

Barclays admitted that similar errors had occurred and the changes it had put in place to prevent further errors had failed in Mr H's case.

- Mr H has suffered a significant amount of distress and inconvenience, not only due to the initial error by Barclays, but also because Barclays seemed unwilling to be flexible enough to remedy that error and caused further delays in addressing the complaint. This makes Mr H's complaint an exceptional case.

12. Mr H and Barclays did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Neither party provided further comments which allow me to understand the reasons for their disagreement.

Ombudsman's decision

13. I agree with the Adjudicator's Opinion, summarised above, and I make no further comment.
14. Therefore, I partially uphold Mr H's complaint.

Directions

15. Within 30 days of this determination, Barclays should pay £1,000 to Mr H in settlement of his complaint.

Karen Johnston

Deputy Pensions Ombudsman
18 November 2016