

The complaint

Mr K complains that Barclays Bank UK PLC (Barclays) didn't reduce his overdraft limit.

What happened

Mr K had an overdraft limit of £2,000 with Barclays. In June 2021, he asked for it to be reduced to £500. Barclays wrote to him in June 2021 and August 2021 to say he had a limit of £500. But due to an error, his account was left with a limit of £2,000. Between 23 August 2021 and 24 August 2021 – he went overdrawn by up to £1,159. Mr K called Barclays on 25 August 2021 and asked for the difference between £500 (his requested overdraft limit) and the balance of £1,159 - to be written off.

Mr K complained. He said that because Barclays didn't reduce his overdraft limit, he'd spent more than he wanted to. He was a pensioner with health problems and was in financial difficulty. When he called Barclays on 25 August 2021, he said he had a gambling problem.

In their final response, Barclays said they'd discussed Mr K's complaint with him, and thought they'd resolved it. During our investigation, they told us that Mr K's overdraft limit wasn't reduced as it should have been – because of a staff error. They apologised and paid compensation of £200. They didn't know about Mr K's gambling problem previously – and to help him with that, they placed a restriction on his account so he can't now use the card for gambling, and they've put a limit on his cash withdrawals.

Mr K brought his complaint to us and our investigator looked into what had happened. He concluded that it was Mr K's responsibility to check his account and manage his money. Mr K checked his account on the mobile app three times a week, and he could also check his balance on the ATM, or through telephone banking. He thought the compensation paid by Barclays was reasonable.

Mr K didn't agree and asked that an ombudsman look at his complaint.

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 was sorry to learn of Mr K's personal circumstances.

I can see that Barclays made an error – which they've admitted. Mr K asked that his overdraft limit was reduced from £2,000 to £500 in June 2021 – but it wasn't and stayed at £2,000 until he called Barclays to complain on 25 August 2021. He believed that because of this, he should not have to pay the difference between the balance he went up to and the requested limit of £500.

I've looked at Mr K's account. And – he maintained his account well within the requested limit of £500 from May 2021 to 23 August 2021. In fact, for almost all of the time Mr K's account had a credit balance. But on 23 August 2021 – his balance went up to £1,102

overdrawn and then on the following day, the balance was £1,159 debit. After that, on 25 August 2021, the balance reduced to £424 overdrawn.

But - I think that Mr K had a responsibility to manage his spending and keep a check on his balance. Mr K told us he's not good with computers – but I can see that he used the ATM fairly often – and he could've checked the balance on the machine easily – or called Barclays' telephone banking to check his account. Barclays told us that he checked his account three times a week on his mobile banking app.

Mr K told Barclays that he had a gambling problem – and I can see that he made several payments for that purpose. We don't make a judgement on how customers spend their money – but I was pleased to see that Barclays have tried to help Mr K by placing a restriction on his card so it can't be used for gambling, and they've also placed a limit on ATM cash withdrawals.

Barclays apologised and have paid £200 compensation. I think that was the right thing to do in the circumstances of Mr K's complaint. But – having reviewed what happened here, my decision is that Barclays don't need to do anymore.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 December 2021.

Martin Lord
Ombudsman