

Complaint

Mr M has complained that Barclays Bank UK Plc (“Barclays”) unfairly added charges to the overdraft on his current account.

Background

One of our adjudicators looked at this complaint and thought that what Barclays has already done – refunding the overdraft fees added to Mr M’s account from October 2019 onwards – was fair and reasonable in all the circumstances of the complaint.

Mr M disagreed and asked for an ombudsman’s decision.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I think that what Barclays has already agreed to do to put things right for Mr M is fair and reasonable in all the circumstances of his complaint. I’ll explain why I think this is the case.

It might help for me to start by explaining that where a business accepts (or we decide) it did something wrong, we’d expect the business to put the consumer in the position they’d be in if that wrong hadn’t taken place. And in an ideal world, we’d tell a business to put a consumer in the position they’d now be in if they hadn’t been given the credit they shouldn’t have.

So where a business increases or continued to allow a consumer to use a credit facility which it should have realised was unsustainable, we’d typically expect it to put the consumer in the position they’d be in now if they hadn’t paid any further interest and charges on that credit. This means we’d normally expect a lender to refund the interest and charges added to any credit from the point the lender ought to have realised it was unsustainable. And if those interest and charges were paid also add 8% simple interest per year.

In this case, Mr M has been left with an outstanding balance even though he’s been ‘refunded’ all of the interest, fees and charges applied from October 2019. So while Mr M has been left with a balance and he might be unhappy with this, Barclays has done what I’d normally expect it to do here.

That said, we do look at each case individually and on its own particular merits. And while we have a general approach to how we might tell a lender to put things right where it continued to provided credit it shouldn’t have (such as here), we can and will tell it to do something different and/or something more if there’s a strong reason to say that’s what would be fair and reasonable to do in the circumstances of that individual case.

Mr M says Barclays should do something different here. He says that he shouldn't have been charged non-sterling transaction fees when using his card abroad and he's also had issues with mobile banking and his debit cards.

I've started by looking at the non-sterling transaction fees added to Mr M's account.

Mr M incurred these fees when using his debit card abroad. I've seen the terms and conditions that apply to Mr M's account. I'm satisfied that these terms and conditions clearly state that a fee will be charged for non-sterling transactions. And I understand that the amount of the fee charged is broadly in line with those of other banks and also reflects the cost imposed by the card scheme operator for transactions made abroad.

So I'm satisfied that Barclays did make Mr M aware of these charges albeit these particular terms won't have been as important to him – I don't think there was any indication Mr M intended to spend significant periods abroad - at the time he opened his account.

Equally, while I know Mr M may not have been expecting to pay a fee when he used his debit card abroad, he did nonetheless continue using it even after learning this was the case. And in these circumstances, it was Mr M's choice to use his debit card to make these transactions knowing that there would be a cost. As Barclays notified Mr M of the costs and he used the service in question, I don't think that the charges are unfair in this instance.

I've also thought about what Mr M has said about the distress and inconvenience Barclays' actions caused.

Having given thought to this matter, I do think it's worth me explaining that I'm only looking at Barclays' actions in relation to Mr M's current account in this decision. I know Mr M has mentioned issues with a home insurance claim and his Barclaycard. But these are totally separate matters and I've not considered them here.

It's clear that Mr M had difficulties with his debit card and mobile banking. It's also clear that Barclays could and should have done more to assist him at the time. But Barclays has already paid Mr M around £300 for the issues he's had, which is what I'd expect for repeated small errors which require a reasonable effort to sort out. And as most of these issues are historic – they occurred well before Mr M complained – I'm satisfied that the amount paid already is sufficient compensation for the poor service Barclays provided in relation to Mr M's current account.

Bearing in mind all of this and what I've already said about the compensation for Mr M's overdraft charges, I'm satisfied that what Barclays has already agreed to do to put things right for Mr M is fair and reasonable in all the circumstances of his case.

I realise that this will be very disappointing for Mr M. But I hope that he'll understand the reasons for my decision and at least feel that his concerns have been listened to. And I leave it to Mr M to decide whether he wishes to accept Barclays' offer.

My final decision

For the reasons I've explained, I'm satisfied that what Barclays Bank UK Plc has already done to put things right for Mr M is fair and reasonable in the circumstances of his case. So I'm not requiring to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 March 2022.

Jeshen Narayanan
Ombudsman