

The complaint

Miss H complains about how Barclays Bank UK PLC dealt with a direct debit indemnity.

What happened

Miss H says she bought an item for £1,225 via a business I will call "P". She says she asked Barclays to raise a dispute for the payment in April 2021, but it raised a dispute for the wrong amount of £1,427. Miss H says that led to a series of problems and resulted in the debt of £1,225 being passed to a third-party debt collection business. She says she asked Barclays to send the money back to P, but it didn't do so. Miss H says the mistakes caused significant stress levels and caused her lost working hours. She would like appropriate compensation.

Barclays accepts it made a mistake by crediting Miss H's account with the wrong amount. It accepts that it couldn't return the money which it later told Miss H about. Barclays has paid £40 compensation.

Miss H brought her complaint to us and our investigator upheld it and recommended Barclays pay a further £75 compensation. The investigator accepted Barclays made a mistake which caused further problems but said she could only consider B's mistake as it clear there were other businesses also involved. The investigator thought Barclays had called Miss H to discuss what took place and to tell her that she would need to refund P the money herself.

Barclays has agreed to pay the additional compensation.

Miss H doesn't agree with that view and in summary says the compensation offer "grossly ignores her mental anguish" and doesn't take account of her medical expenses such as the £160 she spent on headache tablets bought in the last few months of 2021 alone. She would like £400 compensation.

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.

Having done so I have come to the overall view that Barclays should pay the compensation recommended by the investigator. I appreciate Miss H will be disappointed by my decision and appreciate how strongly she feels about what took place. I also make clear to Miss H that I can only consider the actions of Barclays in this decision and not those of other businesses involved.

There is no dispute here that Barclays made a mistake about what ought to have been a relatively straightforward issue. I don't need to repeat what took place, but I accept Miss H was caused distress and inconvenience. And I also accept that Miss H would have taken some time to try and sort matters out which would have involved a number of telephone calls. But I'm satisfied that Barclays has fairly apologised for what took place and I have not seen any evidence of Miss H suffering any financial loss as a result of the mistake.

The key issue for me to decide is the level of compensation. I'm satisfied that Barclays tried to contact Miss H to explain that she needed to repay the money herself and I'm satisfied that it did what it could to assist Miss H within a matter of weeks after the mistake. I appreciate that Miss H says she spent £160 on tablets but I can't fairly conclude Barclays mistake resulted in the need to take such medication some months after the events in April 2021. I have made clear that I have not seen evidence of financial loss caused by the mistake and think the impact on Miss H was relatively moderate within the types of compensation awards we make. So, I'm satisfied that Barclays should pay £115 compensation which I think is fair and reasonable and in line with the type of awards we made for this type of complaint. I don't think Miss H has told us if she has repaid the money to P and I can't see why doing so would have caused any real inconvenience.

Putting things right

Barclays should pay a further £75 compensation

My final decision

My final decision is that I uphold this complaint and order Barclays Bank UK PLC to pay Miss H a further £75 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 26 May 2022.

David Singh
Ombudsman