

The complaint and background

Mr C has complained about overdraft charges and interest Barclays Bank UK PLC added to his current accounts. He's said Barclays was irresponsible to offer him overdraft facilities given his financial circumstances, and that Barclays should have realised he was struggling because of how he was managing his accounts.

Barclays looked at Mr C's complaint and offered to refund charges and interest applied to one of his accounts from January 2016 onwards. But Barclays said it wouldn't be able to look at Mr C's other account as it was too long since that account had closed.

Mr C was unhappy with Barclays offer and so he referred his complaint to us. After we had begun to look into his complaint, Barclays decided it would also offer to refund the charges applied since January 2016 for Mr C's second account. But Barclays also stated that if believed any complaint about charges applied, or events that took place, before January 2016 had been referred to us too late and so was not something we could consider.

Our investigator set out this offer to Mr C and explained that he agreed with Barclays that any complaint about what happened before 2016 was made too late. Mr C disagreed with our investigator so the complaint was passed to me for a decision.

I issued a jurisdiction decision on 29 March 2022 setting out why I agree with Barclays that we are only able to consider events after January 2016. So this final decision will look only at the charges applied to Mr C's accounts since 4 January 2016.

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 considered everything provided, I'm satisfied that what Barclays has already offered to do to put things right is a fair way to resolve this complaint.

Barclays has offered to refund all the charges applied to both of Mr C's accounts from 4 January 2016. These refunds will be used to reduce the outstanding balance of Mr C's accounts. This offer is in line with what we would recommend. I appreciate that Mr C has said he feels it would be fairer for 8% compensatory interest to be paid on these refunds, but our general approach is not to ask a business to pay 8% interest on top of a refund if it is being used to reduce an outstanding debt as it is in Mr C's case. I see no reason to depart from that approach here.

So with this in mind, I'm satisfied that the offer Barclays has made is a fair way to resolve this complaint. I know this will be disappointing for Mr C, but I hope he'll understand the reasons for my decision.

Putting things right

Having thought about everything, I think that it would be fair and reasonable in all the circumstances of Mr C's complaint for Barclays to put things right as per the offer it has already made. That offer is as follows:

- Account ending *6817 – Refund overdraft charges from January 2016 to November 2017 (when this account was closed). Barclays has calculated this as £1,733.50 and this refund will be used to reduce the outstanding balance of this account.
- Account ending *3535 – Refund overdraft charges totalling £2,977.50 as stated within Barclays' final response letter. This refund will be used to reduce the outstanding balance of this account.

My final decision

For the reasons I've explained, I'm upholding this complaint, but I think that what Barclays Bank UK PLC has already offered to do to put things right is fair. Barclays should put things right in line with its offer as set out above, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 May 2022.

Sophie Mitchell
Ombudsman