

The complaint

Ms A complains that Barclays Bank UK PLC trading as Barclaycard ("Barclaycard") gave her incorrect information about payment options available to pay her builder.

What happened

The facts of this complaint are well known to both parties. So, I won't go into much detail about the background but will summarise the key points leading to Ms A's complaint. Ms A accepted a promotional offer from Barclaycard which allowed her 0% interest on purchases made using her credit card. Ms A says she received conflicting information from Barclaycard about whether a payment to her builder would qualify as an interest free purchase. Ms A says she then had to pay her builder by withdrawing funds from four credit cards as well as using an overdraft facility on her bank account.

Ms A complained and Barclaycard accepted that a call handler Ms A spoke with, incorrectly informed her that Ms A had been given incorrect information during an online chat. They also accepted Ms A's complaint had been incorrectly closed as a concern. Barclaycard apologised and credited £50 to Ms A's account.

After considering all of the evidence, I issued a provisional decision on this complaint to Ms A and Barclaycard on 19 May 2022. In my provisional decision I said as follows:

"My starting point is the terms and conditions of Ms A's account. This says Barclaycard will provide Ms A with a card to use to make transactions.

Under the heading 'Making transactions' it says, "You can use your card to make transactions such as cash withdrawals, purchases, balance or money transfers and any other use that we allow..." I've also seen the purchase offer terms and conditions, this says the offer doesn't cover cash withdrawals, buying currency or traveller's cheques, or any cash-like transaction such as money orders or wire transfers.

I can see we've asked Barclaycard for a copy of the online chat but they've confirmed they don't have a copy. Ms A has provided details of the online chat and I can see she asks the agent whether paying her builder would count as a purchase under the promotional offer. Ms A also asks, if her credit card is linked to an account she holds with a payment platform, whether payment through this method would also count as a purchase under the offer. There's no dispute that the agent confirmed to Ms A that she could pay the builder, do online transactions including using the payment platform, and these would be included in the promotional offer. Ms A then instructed a builder to carry out work.

I've listened to a recording of a call Ms A made to Barclaycard to say her builder has given her his bank details and she wants to pay her builder. The call handler explains they can't do a transfer and Ms A will need to use her credit card to make the payment so it goes through as a purchase. During the call, Ms A specifically asks whether payment through the payment platform would be an option and the call

handler says "It still needs to be a purchase though, it's not going to accept a bank transfer, so you sending money to him". Ms A explains this was the other option she discussed with the agent online and she was told that would be fine but she's now being told that isn't fine. The call handler explains Ms A can't do a transfer from her Barclaycard credit card to a current account unless there's a money transfer offer available which there isn't at present.

Ms A then asks "So, how do I pay my builder using my Barclaycard?" The call handler says "The only way that you could do it is, if he's self-employed does he have any sort of card reader that he could accept the payment from you?" Ms A says she doubts he has a card reader and the call handler says "That would be the only way that he can take the payment rather than you having to send it" The call handler explains she can't transfer funds from the credit card to the builder's account and that the builder would need to have a card reader to take payment. Ms A asks "And, if he hasn't, then how am I going to solve this problem?" The call handler says "We would not be able to do a transfer from the Barclaycard" Ms A then asks again if she can pay the builder through the payment platform as her credit card is linked to her account with the payment platform. The call handler says "It still can't be a transfer..." Ms A asks if Barclaycard have therefore given her incorrect information and the call handler says this would need to be investigated because "if you've been told one thing and it's put you in an absolute predicament now where you're thinking how can I pay my builder, especially if he's done the work so I will need to log this as a complaint for you."

Taking this into account, I don't think the information given to Ms A during both the online chat and phone call went far enough. Firstly, during the online chat Ms A is given a generic assurance that payment through the two methods outlined by her would be included under the promotional offer. I acknowledge Barclaycard's point that the agent won't have known Ms A's builder wouldn't have a card reader, but this doesn't persuade me that the agent shouldn't have given Ms A more tailored information. It's clear from the online chat and Ms A's testimony that using the promotional offer was very important to her and her preferred vehicle to pay the builder. I think it's fair to say that Barclaycard are the experts here and, knowing this was Ms A's preferred option, this should've prompted the agent to work through the different scenarios with Ms A. And, to discuss any potential difficulties which might arise – in particular, what would happen if the builder didn't have a card reader. Not doing this, has left Ms A with a reasonable belief that the two payment methods she specifically asked about, would be covered.

There is then the information given to Ms A during the phone call. Ms A says the reason she asked the online agent about paying through the payment platform was because her builder raised this with her while discussing how she could pay him. Ms A says she told the builder about the promotional offer and how payment to him could be covered by this. She says her builder then told her about linking her Barclaycard to her payment platform account. Ms A says, this is why she specifically asked the online agent about this payment method. The evidence shows she raised this specific query with Barclaycard, so I'm persuaded by Ms A's testimony that this query was prompted by her builder informing her that he would accept payment through the payment platform.

Barclaycard have told our service that, when a customer has a 0% interest offer on purchases, any purchases made using the credit card would be on 0% interest. But, if the customer were to make cash withdrawals or cash like transactions, these wouldn't be on 0% interest. Barclaycard say the same principles apply with the payment platform, and where a Barclaycard credit card is linked to an account on the

payment platform, the payment platform can process payments which are then collected from Barclaycard. They say, if the payment through the payment platform was a purchase then Barclaycard will record it as such. But, if it was a cash like transaction or withdrawal, they will record it that way. They say, ultimately, it's up to the payment platform to decide whether they will process a payment or not.

Barclaycard say, generally speaking, a customer can pay their builder using their Barclaycard or through the payment platform but this is subject to the payment processing method being used by the builder, and this is outside of Barclaycard's control. Barclaycard say, specifically in this case and listening to Ms A's call with the call handler, Ms A had been provided with a bank account number and sort code by the builder to make a payment. The call handler then explained to Ms A they would be unable to make a payment via that method and it is unlikely to have been possible via the payment platform.

Taking into account what Ms A was told by the agent, what she was then later told by the call handler and Barclaycard's explanation to our service, I think during the phone call, the information given to Ms A again didn't go far enough. In relation to payment being made through the payment platform, Ms A is originally told by the agent that this would be covered under the promotional offer. Then, when Ms A speaks with the call handler, and specifically asks whether she can pay her builder via the payment platform, she's told it can't be a transfer. Barclaycard have then told our service that payments through the payment platform are covered by the promotional offer but is dependent on the payment via the payment platform being processed as a purchase. I've been on the website for the payment platform and this sets out payment types and says payments for goods and services are treated as a purchase.

The call handler, when asked about the payment platform, did give correct information by saying it couldn't be a transfer. But, given the explanation provided by Barclaycard, I don't think the call handler's explanation went far enough. I think the call handler should've explained that while it couldn't be a transfer, payment through the payment platform would be covered if processed as a purchase. Given the call handler's explanation to Ms A, and the context in which the information was given, I can understand why this call left Ms A under the impression that the payment platform wasn't an option covered by the 0% offer.

Given that I've decided the builder was prepared to accept payment through the payment platform, and the payment platform treats payments for good and services as a purchase, then in view of the information given to Ms A, I think she has lost out on paying her builder using the promotional offer.

Ms A wants Barclaycard to pay her for 12 months of interest on the £4,500 paid to her builder calculated at their cash withdrawal rate. I am sorry to disappoint Ms A but I don't believe that would be a fair remedy in the circumstances of this case. I say this because, while Ms A has missed out on having the payment covered by the promotional offer, she has chosen to fund the majority of the payment by borrowing against credit cards – this being a more expensive alternative. I can't see Ms A considered other options or anything to suggest this was her only option to pay the builder.

That said, I think Ms A has understandably been left very upset and frustrated at not being able to use the payment platform and take advantage of the promotional offer – something which was clearly very important for her. This led to the inconvenience in having to fund the payment through an alternative method – and one which has led to additional borrowing with interest which Ms A says she is still paying off. So, taking

this into account, I don't think Barclaycard's offer of £50 is enough to cover the impact on Ms A. I think there has been a significant loss of opportunity for Ms A here to use her preferred, and more beneficial, payment method. So, Barclaycard should pay an additional £350 to Ms A – bringing the total compensation paid to £400."

So, subject to any further comments from Ms A or Barclaycard, my provisional decision was that I was minded to uphold this complaint.

Following my provisional decision, Ms A has responded to say she has no further information to add. Barclaycard have responded to confirm payment for goods and services can be made through the payment platform but the builder would've needed to be registered with the payment platform as a merchant to receive payment. Barclaycard say, if it is evident the builder had the capacity to collect payment through this method, they're happy to accept the provisional decision. Barclaycard say they understand the view that Ms A wasn't given sufficient information about the possibility of using the payment platform. They say, in order to establish this caused Ms A loss, it's worth considering whether the builder had the capacity to collect the payment through this method. They say the evidence shows the builder only provided a sort code and account number for payment.

Given that both parties have responded, I see no reason to delay making a final decision.

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 see no reason to depart from my provisional decision. So, I've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

I acknowledge the points made by Barclaycard but it doesn't persuade me that there's been no error here or that there hasn't been an impact on Ms A. I accept Ms A, when she contacted Barclaycard to pay the builder, presented a sort code and account number – and this method wouldn't be covered under the promotional offer. But, I've explained in my provisional decision why I believe Ms A's initial query about the payment platform during the online chat was prompted by her builder informing her that he would accept payment through the payment platform. On this basis, I believe it's more likely than not, the builder did have the capacity to receive payment through this method.

In addition to this, and having listened to Ms A's phone call with the call handler, I think it's fair to say, in light of the insufficient information given to Ms A, she was completely dissuaded from considering the payment platform as a vehicle for payment. Therefore, this prevented Ms A from even revisiting this discussion with her builder and exploring the possibility of the builder – if he didn't have one already – to register an account with the payment platform. I believe, on the balance of probabilities, the builder did have an account set up. But, even if he didn't, there has still been a significant impact on Ms A which is the loss of opportunity to explore this with her builder.

Putting things right

I've taken the view that Barclaycard have made an error in not giving sufficient information to Ms A and this has led to her losing the opportunity to pay her builder using the promotional offer. So, in addition to the £50 already credited to Ms A's account, Barclaycard should pay an additional £350 compensation for the upset and frustration caused to Ms A.

My final decision

My final decision is that I uphold the complaint. Barclays Bank UK PLC trading as Barclaycard must pay £350 compensation to Ms A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 6 July 2022.

Paviter Dhaddy
Ombudsman