

## **The complaint**

Mr C complains about the way that Barclays Bank UK PLC dealt with direct debits on his account that he didn't authorise.

## **What happened**

Mr C says he contacted Barclays about unauthorised new direct debits on his account. He says it didn't notify him about them being set up as he wanted. It also didn't deal with his complaint and it prevented him setting up legitimate direct debits on his account.

Barclays accepted that it had provided poor service. It had paid Mr C £25 in December 2020. But had increased the offer while his complaint was with this service and most recently said it would pay a further £150. It said that because of the way these direct debits had been originated it wouldn't be able to notify Mr C about them. It had for a period blocked all new regular payment mandates from his account. But it hadn't communicated well with Mr C. It maintained its position that if he wanted a new account number an application with a credit check would be needed.

Our adjudicator didn't recommend that Barclays do more than it had now offered to. Barclays had prevented direct debits to two specific organisations being set up, but that block had been removed by Mr C on 19 January 2021. It had also restricted all new payment mandates meaning Mr C would need to contact it to set them up. But this had been removed on 8 April 2021. If Mr C wanted a new account then a credit check would be part of that process.

Mr C didn't agree. He said that this had happened a number of times and meant that he was checking his account using the app every day. He maintained that he ought to have been notified. And this had been going on for 18 months and the compensation was inadequate.

## **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'm looking here at what happened to the point when Mr C referred his complaint to this service and Barclays responded. If he has had ongoing problems since then that would be part of a new complaint he'd need to raise with Barclays first.

Mr C reported a direct debit to Barclays on 30 November 2020 and also called again on 1 December 2020. He raised a complaint on 17 December 2020 when a further new direct debit had been attempted. Direct debits to specific businesses were then blocked. And he was then paid that day what I can see from his statement were actually two compensation payments of £25. He still wanted to know why he'd not been told about the direct debits when they were established. He contacted Barclays about this again in January 2021. It told him it would be placing a referral on all new such payments and would come back to him.

Barclays accepts that it didn't tell him what it thought was the resolution to his complaint. And it then heard from Mr C in March 2021 about his attempts to set up legitimate payments.

The block was removed, and he was able to set up at least one direct debit by the end of April 2021. Barclays has now explained that it won't be possible for notifications of fraudulent direct debits set up as they were before to be notified to him. And that he would need to go through an application process for a new account number.

I don't doubt Mr C's concern at unauthorised direct debits from his account. And that even though he had contacted Barclays about this, it happened again. His questions weren't answered. Barclays had marked this as resolved, but this left a restriction on new regular payments he did want to set up from his account.

Barclays has now offered to pay him a further £150 to reflect what happened. As I say I'm looking at what happened through to the end of April 2021. And if as it seems Mr C's details were compromised then the options seemed to be a block or opening another account. I need to take into account that an unknown third party had been trying to access funds and that this person is responsible for an element of his distress. If as we've been told there is no way of getting notifications from Barclays systems when this happens then I can't make any direction to address that. And Barclays has rightly confirmed that Mr C wouldn't be responsible for payments taken in this way that he hadn't authorised.

I need to decide whether the amount of compensation is reasonable. We don't make punitive awards. And I take into account our published guidance. Having done so I consider that a further £250 (an increase of £100 on the £150 now offered) for Mr C would be reasonable to reflect all the elements of what happened. As the key issue is now about this compensation I consider I am fairly able to make this change without any further submissions and so issue a final decision about it.

### **My final decision**

My decision is that I uphold this complaint and I require Barclays Bank UK Plc to pay Mr C a further £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 July 2022.

Michael Crewe  
**Ombudsman**