

The complaint

Mr G has complained about the way Barclays Bank UK PLC (trading as Barclaycard) dealt with fraud on his account.

What happened

Both sides are most familiar with the case, so I'll summarise things in brief.

In June 2020, Mr G was contacted by a debt collection agency working on Barclays' behalf. They were chasing an outstanding credit card balance from an old account of Mr G's. It turned out this balance had been run up by a fraudster, who had intercepted a new card that was sent to Mr G's old address.

Mr G recalls closing this account over the phone back in 2015, so he's unhappy that Barclays didn't close it at the time. He's also unhappy they wrote some letters to his old address even after he complained. He explained that because of this, he paid for a mail redirection service so that Barclays didn't send anything else the fraudster could intercept.

After several months of delay, Barclays investigated and dealt with the fraud. They offered Mr G £150 compensation for the delay. But they couldn't see that he'd ever closed the account. And they said they were now writing to the right address.

Our adjudicator looked into things independently and felt Barclays' compensation offer was fair. Mr G didn't agree, so the complaint was passed to me to decide.

I sent Mr G and Barclays a provisional decision on 16 June 2022, to explain why I thought the complaint should be upheld in part. In that decision, I said:

Based on what I've seen so far, I think Barclays haven't quite offered enough to put things right here – I'll explain why.

First, I will say that I understand Mr G has been the victim of a crime here, and that he's had a tough time more generally. So he has my sympathy. I can appreciate that the fraudster will have caused him a good deal of distress.

I can see that in his initial complaint, Mr G was clear that the credit card was registered to an old, now incorrect address, and that he no longer lived there. It also looks like he discussed this with Barclays' agents, too. Yet despite this, I can see that Barclays continued writing to that old address until late September 2020. I think that was an error on Barclays' part. And given that it appears a fraudster was intercepting post at that old address, I think it was reasonable that Mr G was worried about this and that he paid for a mail redirection service in the meantime. He's sent us evidence of the redirection, which cost £41.99. I think Barclays need to cover that cost.

Further, while I am glad to hear that Barclays have now dealt with the fraud, I think they took too long to do so. Mr G initially reported this in summer 2020, but it didn't get properly dealt with until late December 2020, and he didn't get a substantial response to his complaint until January 2021. And that added significant stress onto what was already a stressful situation. I also understand that Mr G and his representative then had to make quite a few phone calls. I don't think Barclays' existing offer quite reflects the trouble and upset the delay caused.

Regarding the issue of closing the account, I've looked at the notes for this account going back to 2014. And I can't see any record of Mr G asking Barclays to close the account. If Mr G had spoken to Barclays about this in 2015, then even if the call recording isn't still available there'd usually be a note or another sign that the call had happened. But there does not appear to be anything like that here. I accept that Mr G recalls closing this account, and it may well be that he intended to do so. But it does not appear that Barclays were asked to close it, so I can't fairly conclude that they made an error there.

As above, I do think Barclays got things wrong in writing to the old address and in how long they took to deal with the fraud. When a business gets things wrong, we often tell them to pay compensation, to acknowledge their mistake and the impact it had. In terms of the amount of compensation, it's worth bearing in mind that we're not here to punish banks or to issue large fines. And I have also kept in mind that it was the fraudster, rather than Barclays, who committed the fraud and so who is responsible for a significant part of Mr G's distress and inconvenience.

We have guidelines about what levels of compensation to award. Taking everything into account, I think £250 in total would be fair to put things right here.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 14 July 2022. Barclays agreed to the proposed compensation. Mr G explained he appreciated the decision and found it a relief to be listened to, but he had some further points for consideration, which I'll talk about below.

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.

Mr G reiterated that he was certain he closed the account back in 2015. He suggested that the reason there was no record of it was because the staff member had forgotten to leave a note. I do appreciate the strength of Mr G's conviction on this point. But if he'd contacted Barclays at the time, it would normally have at least left an automatic footprint or another sign that he'd got in touch, even if the staff member forgot to write a specific note. But I've not seen anything like that here. As far as I can see, there's no evidence which substantiates that Mr G tried to close this account in 2015. So again, I accept that Mr G recalls doing so, and it may well be that he intended to do so. But it does not look like Barclays were asked to close this account in 2015, so I cannot fairly conclude that they made an error there.

Mr G felt it was unacceptable that Barclays had written to the wrong address. As before, I agree they made an error there, which is why I'm directing them to refund the redirection costs for that period, and to pay compensation on top. Mr G sent in further mail redirection costs, but that was to cover late October 2020 onwards, and Barclays updated his address and stopped writing to the old address back in September 2020. So from that point onwards, Mr G's redirection costs were no longer reasonably caused by Barclays' error – as their error had already been fixed. So I find that those further redirection costs from October 2020 onwards were no longer Barclays' responsibility.

Mr G reiterated that this had had a real impact on him, and that he didn't feel Barclays had put it right. As above, I agree they made an error in writing to the wrong address until September 2020, and in delaying things. The compensation is then there to put things right.

I understand that Mr G does not think £250 is enough. He explained that he had to contact lots of organisations, and that he received contact about a debt that wasn't his. I understand Mr G's point of view. But as I explained above, I have not found that Barclays made any error in leaving the account open. And it was the fraudster who committed the fraud, not Barclays. So it's the fraudster who ran up the debt and primarily caused Mr G to receive correspondence, and who caused him to have to contact organisations like the police. I also can't see that Barclays' contact was excessive or unreasonable. And as I said before, we're not here to punish businesses or issue large fines. So while I see where Mr G is coming from, taking into account our guidelines for compensation I still conclude that £250 in total is fair to put things right there.

Putting things right

I direct Barclays Bank UK PLC to:

- pay Mr G £41.99 to cover the mail redirection; and-
- pay Mr G £250 compensation in total for the trouble and upset they caused.

My final decision

I uphold Mr G's complaint in part, and direct Barclays Bank UK PLC to put things right in the way I set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 11 August 2022.

Adam Charles
Ombudsman