

The complaint

Mr P complains that Barclays Bank UK PLC (“Barclays”) refuse to allow card payments he wants to make for an investment through a third-party company (“TPC”).

What happened

Mr P holds a bank account and credit card account with Barclays. He also holds an account with a TPC which buys, trades and hold cryptocurrencies.

In or around May 2022, Mr P attempted to make card payments from his Barclays accounts to his account with the TPC, but he was unable to complete the payment(s). He was told his cards weren’t supported for the required transactions as Barclays wouldn’t authorise the payments.

Mr P called Barclays in order to understand why they’d refused the card payment(s). Initially, Barclays couldn’t identify that any payments had been refused. But after further investigation, Barclays explained they no longer supported payments to the TPC as that company wasn’t FCA regulated.

Mr P wasn’t happy with Barclays’ explanation. He didn’t think it was right they could dictate who he could make payments to and he didn’t think the TPC’s lack of FCA registration was relevant. He asked Barclays to escalate matters as a complaint. To resolve matters, he wanted them to fix the problem. He said that he would have to find an alternative way to make payments to the TPC which would cost him more. He thought Barclays should pay him compensation of around £200 to cover his losses from not being able to make payments through them going forward.

Barclays told Mr P they wouldn’t consider paying compensation in these circumstances and didn’t think they’d done anything wrong. Mr P wasn’t happy with Barclays’ response. He wanted to escalate matters further. Barclays explained Mr P could escalate his complaint to this service. But they wouldn’t uphold his complaint as payments to this TPC wasn’t a service they offer. Barclays confirmed their stance in a summary resolution letter.

Mr P contacted this service and asked us to investigate his complaint further. Having considered all the information available, our investigator didn’t think Barclays had acted unfairly or needed to do anything more.

Mr P didn’t agree with our investigator’s findings. He didn’t think Barclays were allowed to tell him what he can and can’t do with his own money. He said he understood the risks associated with trading/investing.

As an agreement couldn’t be reached, Mr P’s complaint has been passed to me to consider.

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 have reviewed Barclays’ account terms and conditions. In particular, they include:

“We’ll do all we can to carry out your instructions. However, we don’t have to follow an instruction for any of these reasons...”

- *It would mean we might break a law, regulation, code or other duty that applies to us.*
- *It could expose us to claims from third parties.*
- *We reasonably believe it might expose us (or another Barclays company) to legal action or censure from any government, regulator or law enforcement agency.*
- *We reasonably think that a payment into or out of an account is connected to a fraud, scam or any other criminal activity. This includes where we reasonably think the funds are being obtained through deception”.*

They also say, “We may make changes to your agreement with us for any of these reasons...A change in the law, a regulation, an industry code we follow, or a decision of the court, a regulator or the Financial Ombudsman means that we need to make changes”.

The Financial Conduct Authority (“FCA”) published a warning in June 2021 in relation to the TPC receiving the funds here. The warning said that this company was offering UK customers products and services for which it doesn’t hold UK registration or authorisation. There’s also been suggestions that this TPC was previously reported as being subject to investigation for other illegal and fraudulent activities.

Barclays have told this service that they took the decision to decline and stop payments to this TPC by credit/debit card. Barclays have a duty to protect their customers and their money from fraudulent and criminal activity. Stopping payments to the TPC was a commercial decision made by Barclays following an FCA announcement. I can see from the announcement the FCA published, it’s alongside information about investing in cryptocurrency more generally and the risks associated with it.

While I appreciate and understand Mr P’s frustrations, I’ve considered what Barclays have said alongside the FCA’s guidance. While I realise Mr P will be disappointed, I don’t believe Barclays’ actions were inappropriate here, and I’m satisfied they acted in their own best interests and those of Mr P, as a consumer. It’s up to Barclays to make a commercial decision about the risks they’re willing to take, and our service doesn’t have the powers to change that. So, I’m satisfied that Barclays acted fairly and reasonably, in line with their terms and conditions.

My final decision

For the reasons set out above, I don’t uphold Mr P’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 15 November 2022.

Dave Morgan
Ombudsman