

The complaint

Mrs D complained because Barclays Bank UK PLC refused to refund her for two disputed payments sent to her granddaughter's university overseas. She wants compensation for the distress and inconvenience, and cost of phone calls abroad.

What happened

Mrs D wanted to transfer money to her granddaughter's university abroad. She used her mobile banking app in the evening of 7 February 2022, and three international payments for £1,687.50 were separately authenticated.

The payments were debited overnight, appearing on Mrs D's account early in the morning of 8 February. Each international payment also incurred an £8 international payment charge.

Later that day, 8 February, Mrs D rang Barclays. She was worried and said she'd made a mistake last night, when trying to transfer money abroad. She thought the payment hadn't gone through, because it hadn't shown on her Barclays account straightaway, so she'd made two more.

Barclays explained that international payments didn't show on an account instantly, but it said it would organise recall claims for the two extra payments. The adviser said the refunds couldn't be guaranteed, but Barclays would do what it could. He said Barclays would send a letter when the payments had come back. Mrs D asked if she should ring back the next day, and the adviser explained that it would take at least a couple of days, but that Mrs D, who was anxious about the money, could phone for an update.

Mrs D also asked the adviser what she should produce for the university as proof of payment, and he said there would be a letter for that sent through the post. He said that three would be sent to her, but she'd only need one as the other two were requested as repayments.

Barclays sent two recall requests through its correspondent bank. It received an auto-acknowledgment and a query asking about the refund. Barclays checked with Mrs D, who confirmed on 21 February that she wanted money returned to her bank account. Barclays confirmed this to the correspondent bank. The correspondent bank charged Barclays for the requests, but didn't reply further. Barclays chased. On 9 March, the correspondent bank sent a message to Barclays saying *'Please be advised that we contacted the beneficiary bank regarding your recall request but till [sic] date we have not received any appropriate response from them, hence we suggest yourselves to deal direct with the beneficiary to resolve the matter... We close our files.'*

On 22 March, Mrs D hadn't heard anything, and rang to complain. The adviser told Mrs D that Barclays had tried to recall the payments but there had been no response, so it couldn't move forward any further. Mrs D replied that she'd sent one payment, but to her surprise Barclays had sent three payments instead. The adviser said Barclays wouldn't send three payments if she'd only made one. Mrs D said she'd been to a branch, and the branch had

submitted the payment three times. The adviser checked whether Mrs D was saying the branch had submitted the payment three times, and Mrs D said yes.

Barclays didn't uphold Mrs D's complaint.

Mrs D wasn't satisfied and complained to this service.

Our investigator partly upheld Mrs D's complaint, and asked Barclays if it would consider an award for distress and inconvenience. Barclays offered £100, but Mrs D refused this. She said that:

- she'd never authorised the second and third transactions;
- when she'd phoned to complain in late March, Barclays' adviser had been very rude, and had just said there was nothing else the bank could do and it had already closed her case. The adviser had told her she'd have to sort it out by ringing the university abroad;
- she'd then had to visit branches and phone Barclays again. One branch had provided three proof of payment documents which she'd requested from Barclays on 8 February, including the IBAN numbers, which her granddaughter would need to sort it out with the university.

Subsequently, Mrs D and her granddaughter negotiated with the university. Mrs D agreed that the university could retain some of the overpaid money, and some would be returned to her Barclays account. Her account was credited with £2,209.42 on 25 May 2022, and there isn't a dispute about the amount of this returned payment.

Mrs D also said that there had been an impact on her health because she'd been worried about losing that amount of money. She said she'd had to postpone travel abroad as a result, and that had meant she'd had to pay much more for her flights than if she'd been able to go in April. She also said she'd had to pay a lot for international calls, and for transport to and from the bank. She said she felt the offer of £100 compensation was a slap in the face. She asked for an ombudsman's 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.

This includes listening to multiple phone call recordings, and I asked Barclays for more information too.

Were the three transactions authorised by Mrs D?

There are regulations which govern disputed transactions. The relevant regulations for disputed transactions taking place in February 2022 are the Payment Services Regulations 2017. These say that the payment service provider (here, Barclays) must show the transaction was authenticated. That's the technical part, and Barclays has provided the evidence to show that all three disputed payments were authenticated.

The regulations also say that it's necessary to look at whether the card holder authorised the payments. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them.

The phone call recording from 8 February, when Mrs D first contacted Barclays about this, shows that she said she'd authorised all three transactions herself, by mistake because she didn't think the first one had gone through.

Later, on the complaint call on 22 March, she said she'd only authorised one, and a branch had sent three instead of the one she'd authorised.

Looking at this conflicting evidence, I find that Mrs D authorised the transactions herself. First, that's what she said on the phone call recording from 8 February, which was immediately after the transactions, so more likely to be correct than what she said some six weeks later. But also, the technical evidence shows that all three payments were authenticated within a relatively short time on the evening of 7 February, appearing on Mrs D's bank account the next morning. They were carried out through mobile app, late in the evening. They weren't carried out at a branch, and in any case by that time of day the branch would have been closed. For completeness, Mrs D hasn't said that she'd had her mobile stolen or her security information compromised. She's always said she authorised at least one. And Mrs D's mobile and security information hadn't been compromised in the short time between the three transactions. So I find that the reason why there were three transactions was because Mrs D, not Barclays, made an error.

Mrs D has also said Barclays should have checked with her before letting the payments through. But as Mrs D herself says, she'd previously made payments to the same university. Bank security systems are complex, but I don't consider that Barclays should necessarily have prevented the second and third payments to a recipient Mrs D had paid before.

The recall of the two payments which Mrs D sent in error

I've considered whether Barclays acted correctly when Mrs D reported on 8 February that she'd mistakenly sent two extra payments. In the phone call, Barclays did say that the refunds couldn't be guaranteed. I've checked Barclays' records of the recall attempts through its correspondent bank. As I've set out above, I can see that Barclays did send off two recall requests, and also chased for a response. But on 9 March, it received confirmation that the beneficiary bank (for the university) hadn't responded to the recall request and the correspondent bank had closed the recall claims.

This means that there was realistically nothing more that Barclays could have done. So although I recognise that Mrs D and her granddaughter had some inconvenience in trying to recover the money from the university abroad, I can't attribute that to Barclays.

But when Barclays heard the outcome on 9 March, I'd have expected it to have contacted Mrs D, to tell her that unfortunately it hadn't been able to retrieve the two payments, and that she'd have to contact the university abroad herself. In the phone call on 8 February, the adviser said that Barclays would send a letter in the post when it heard back, but he suggested Mrs D could phone in if she wanted an update on progress. I've seen no evidence that Barclays did write to Mrs D about the outcome. Nothing more happened until Mrs D complained on 22 March. Barclays has since told us that when a recall request is made, it asks the customer to ring up. But the call recording says that Barclays would write to Mrs D - which I think would have been only fair and reasonable.

So, in summary, I find that Barclays acted correctly in making the recall claims, and in chasing its correspondent bank for a response. And there was nothing Barclays could do when the beneficiary university's bank abroad didn't respond to the recall claims. But I consider Barclays should have informed Mrs D soon after being told this on 9 March. So I find that Barclays should pay Mrs D some compensation for the distress and inconvenience this caused, which I'll deal with under "Compensation" below.

Mrs D's complaint – customer service

Mrs D rang to chase for progress on 22 March and she's said that the adviser was "very rude." I asked Barclays for the phone call recording for this call, and I've listened to it. I find that Barclays' adviser was in fact helpful and polite to Mrs D. She took the details carefully, and checked with the relevant internal team about the technical details about the payments. She relayed these carefully to Mrs D, and offered the details of the payments so Mrs D could raise it with the university. Mrs D vigorously said that the extra payments were Barclays' fault, but the adviser kept calm and raised a complaint for her.

Evidence of payments as requested by Mrs D

In her initial call on 8 February, Mrs D asked for proof that she'd sent the payments – so she could prove to the recipient that she'd sent the money. I can understand why Mrs D would have wanted this evidence, especially when it eventually turned out that her granddaughter had to negotiate with the university about the refunds.

There's a difference of evidence about whether or not the evidence for all three was sent. I asked Barclays, and it said it sent all three. Mrs D, however, said she only received evidence of one of the three payments, and that she didn't obtain the full information, including IBAN details, until she went to a branch after her complaint.

I can't tell for certain what happened here. When evidence conflicts, I take my decision on what I think is most likely to have happened. Here, I think it's most likely that as Barclays sent evidence for one payment, it would have sent the evidence for all three. I've also borne in mind that there's no evidence that Mrs D complained about having received one but not three payment documents, until after her complaint in late March. So I don't find that Barclays did anything wrong in that respect.

Compensation

Drawing together these elements:

- I've found that it was Mrs D's mistake, not Barclays' mistake, that three payments were sent, rather than one;
- The evidence about the recalls shows that Barclays did all it could to recall the two payments which Mrs D had made in error;
- I find that Barclays' adviser when Mrs D complained on 22 March was not rude;
- I consider it's more likely than not that Barclays sent all three payment documents to Mrs D as she'd requested;
- I have, however, found that Barclays should have notified Mrs D when it had no reply from the beneficiary's bank on 9 March. It didn't do so, meaning that Mrs D would never have been told, if she hadn't chased it some weeks later.

Taking all these factors into account, I find that a suitable amount of compensation would be £100 for the distress and inconvenience caused by not notifying Mrs D of the outcome of the recall requests. This takes into account:

- the fact that she didn't know between the actual outcome on 9 March, and when she rang on 22 March, and
- the inconvenience of having to make a call to Barclays on 22 March.

My final decision

My final decision is that I uphold this complaint in part, and I order Barclays Bank UK PLC to pay Mrs D £100 compensation for distress and inconvenience resulting from its failure to notify her that the recall requests hadn't been successful because the beneficiary bank hadn't responded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 September 2022.

Belinda Knight
Ombudsman