

The complaint

A company, which I'll refer to as C, complains about Barclays Bank UK PLC's processing of its international payments and the lack of communication from Barclays when issues arose with these payments.

The complaint has been brought to us by one of C's directors, Mr M. He has appointed Mr P to be C's representative.

What happened

C made an international payment in March 2022 which was cancelled by Barclays, but no notification was sent to C.

Mr P complained to Barclays on C's behalf. Barclays responded explaining the payment was cancelled as C hadn't provided the relationship status of the beneficiary in the 'purpose of payment' section when it input the details for the payment. Barclays explained that a pop-up message appears when the payee selects the purpose of the payment which explains how the payee should format the 'purpose of payment' section.

Barclays also explained that their payments team don't contact customers when a payment is cancelled however, the payee, in this case C, can track the payments in the 'manage payments' section of online banking once 24 hours had elapsed from when the payment was made.

Barclays said they had noted the feedback from C in relation to the payment journey however they didn't uphold the complaint as they said there was no bank error.

Further to this, C made six international payments between 11 and 13 June 2022. Four of the international payments were successful but the remaining two were not completed. C said it had made similar transactions in the past with no issues, so it couldn't understand why the payments had been unsuccessful this time.

Barclays looked into the matter for C and confirmed that one of the transactions was confirmed as sent but not received but the other transaction had been cancelled. Barclays explained to C that this transaction had again been cancelled due to missing information.

As Barclays had not upheld any of C's complaints, one of C's directors brought its complaint to us.

To put things right, C would like Barclays to:

- Execute payments that have been properly administered.
- Not allow payments to be saved that are not properly administered.
- Notify them of any payments that have not been executed, including clear reasons as to why.

- Urgently work to rectify any issues so that outstanding payments can be executed.
- Ensure process consistency.
- Ensure systems work and are reliable.
- Ensure front line banking staff are not left exposed or ill equipped to handle queries.
- Ensure customers time is not wasted chasing resolutions.
- Provide a clear and effective channel for communication when things go wrong.
- Provide a clear note admitting bank error that C can send to the two suppliers.
- Pay compensation to C for the time wasted.

One of our investigators looked into matters. He thought Barclays could've done more to put things right. He said that although the payments were handled in line with Barclays' internal processes, C was unable to track these payments via the channels Barclays provided. He recommended that Barclays pay £200 to compensate C for the inconvenience of having to spend time chasing Barclays for a resolution.

Mr P spoke to our investigator after receiving our investigator's view of the case. Mr P said that whilst he accepted some of the findings of the investigation, he wanted to pursue the case on behalf of C as he wanted Barclays to change their process. Our investigator explained to Mr P that it is beyond our power to ask Barclays to change their internal processes but that he would pass the case to an ombudsman for a final decision.

Mr P raised some additional points that he wanted an ombudsman to consider. He said:

- I should not be able to save and submit a payment without inserting all required information, which currently I can.
- If I have saved and submitted a payment that is then cancelled or remains unexecuted, Barclays should inform me.
- Barclays systems & processes are lacking, which one should not expect to suffer.
- Communication is very poor, even when a complaint has been escalated to the highest echelons of Barclays.

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.

There are a number of issues that C would like addressed and I'll start by explaining that I've taken all of the information provided by both parties into account. However, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I can see the crux of the complaint here is that C would like Barclays to change some of its internal processes in relation to international payments. However, as our investigator explained, it is not part of our role at the Financial Ombudsman Service to tell Barclays what

their processes should be. We are not the regulator but an informal dispute resolution service who help to restore the complainant to the position that they would be in had any error by the financial business not occurred.

Nonetheless, I will address this complaint in two parts, addressing both C's concerns about Barclays' processes, and the customer service C received from Barclays while it tried to establish what was going wrong with some of its international payments.

Barclays' processes in relation to international payments

C is concerned that it can save and submit a payment and receive a payment instruction confirmation without inserting all of the required information.

Barclays have explained that the payee will receive a payment instruction confirmation which confirms that the payment has been input into the system, but this is not confirmation that the payment has been processed as international payments are never processed immediately.

However, Mr P has argued that C shouldn't be able to complete the process if all the required information has not submitted. Barclays explained that a pop-up message appears when the payee selects the purpose of the payment which explains how the payee should format the 'purpose of payment' section depending on the purpose. It seems that whoever input the payments for C closed the pop-up without taking the action requested and this was the reason some of the payments were unsuccessful.

My understanding is that this information is not necessarily required for every international payment, but it was required for some of C's payments due to the stringent requirements of the country C was trying to make the payments to and the specific purpose of those payments.

As explained, a pop-up appears for the payee explaining the action they need to take, so I can't hold Barclays responsible if a payee chooses to close this box without taking the required action. And whilst I understand how frustrating it is for Mr P and the directors of C, I can understand why Barclays are unable to make this part of the process mandatory in order to complete the application as it is not necessary for every payment.

C also thinks Barclays should inform a payee if a payment is cancelled or remains unexecuted after the payee has saved and submitted it. Whilst I can understand the inconvenience cancelled or unexecuted payments cause for a payee, I don't think it is reasonable to suggest Barclays call every customer with this issue but I would expect Barclays to have a system in place whereby a payee could monitor the progress of their payments.

Barclays explained to C that payees can monitor and track the progress of the payments through the 'manage payments' section of online banking 24 hours after the payment was made. However, Mr P has provided me with evidence to show that this is not a reliable way to track C's international payments as not all payments are appearing on the system and some that are have an incorrect status.

So, whilst I don't have the power to ask Barclays to change their processes, I think it is reasonable to expect Barclays to have a platform through which a payee can track their payments. And it doesn't seem that the 'manage payments' section of Barclays online banking platform reliably provides this.

Customer service

C's representatives have spent time trying to establish which payments were successful and what had prevented others from completing even though C had previously made similar payments to the same beneficiaries.

Having reviewed the information on file, I've not seen that Barclays were to blame for the unsuccessful international payments, however I do think Barclays could have been more helpful in assisting representatives of C with their queries.

I say this because Barclays told C to track its international payments through its online banking but when C provided evidence that the payments weren't being accurately reported, Barclays didn't address the issue or offer an alternative resolution.

I can see that Mr P made numerous calls to Barclays on behalf of C that left the matter unresolved or involved him being passed from department to department. He also sent a significant number of emails, including some addressed to the senior leadership team of Barclays, many of which went unanswered and none of which provided a reasonable solution to the issue. So, I think it is fair to ask Barclays to pay some compensation to C to reflect the inconvenience this matter has caused it.

Putting things right

Whilst I don't have the power to ask Barclays to change their internal processes in relation to how international payments are input or how a payee is notified of an error or cancellation, I think it would be reasonable for Barclays to discuss how best C can monitor its international payments with C's representatives as an alternative to monitoring through online banking if the information on there is unreliable. I appreciate that C can call Barclays to check the progress of an international payment, but I've seen evidence that when a representative of C did call in, no resolution was reached, or conflicting information was given.

Given everything I've seen, I agree with our investigator's recommendation that Barclays should pay £200 to C for the inconvenience of C having to spend time chasing Barclays for a resolution to the matter.

My final decision

I uphold this complaint in part and direct Barclays Bank UK PLC to pay £200 to C in recognition of the inconvenience this matter has caused to it.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 26 July 2023.

Tara Richardson
Ombudsman