

The complaint

Mr H complains that Barclays Bank UK PLC trading as Barclaycard provided him poor customer service when returning money to him.

What happened

Mr H had a Barclaycard credit card which was closed several years ago. Barclaycard wrote to him and they said he was owed £26.45. Barclaycard sent him a form to complete to receive the money. Mr H signed and returned this. He says Barclaycard then lost the form, which meant they had to send him a new one. Mr H says the original form then turned up.

Mr H says that any time he called to chase the refund, the call handlers could not find him on the system. He says it took three to four months to receive the refund. Mr H says he closed his Barclaycard about 17 years ago and he's unhappy it's took them this time to notify him of the credit and Barclaycard haven't told him how they reached this figure. Mr H made a complaint to Barclaycard.

Barclaycard upheld Mr H's complaint. They said they sent Mr H a letter advising that a refund of £26.45 was due to him and he needed to complete and return the response form in order for them to provide the refund. As they hadn't received the response form, they sent him a further letter, dated 6 October 2021, to complete the response form. Barclaycard said that they received the response form on 15 October and that the refund would be credited to his chosen account within 30 days as stated in the original letter.

Barclaycard apologised for the customer service when he rang to speak to them. They said they aimed to deliver excellent service to their customers, and they recognised that they should have been able to manage his expectations. Barclaycard offered Mr H £25 for the customer service by way of an apology. Mr H brought his complaint to our service. He said the compensation did not cover the distress and inconvenience he experienced, nor the cost of calls he's had to make.

Our investigator said she felt Barclaycard acted fairly. She said the evidence showed that the completed form was received on 15 October 2021 and the refund was completed shortly after. Based on this, she couldn't agree that the bank caused any unreasonable or avoidable delays here. She said Barclaycard provided an explanation for the refund and offered simple interest on top of this amount, in line with what this service would expect to see. Our investigator said Mr H hadn't been able to provide evidence of his phone bill, so she hadn't been able to consider his additional claim for financial loss.

Mr H asked for an Ombudsman to review his complaint. He said Barclaycard acted incorrectly as they failed to answer why it took them so long to return his credit balance and it hadn't been explained why the credit balance occurred in the first place.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

For ease of reading, I've documented my decision in two parts. The refund itself and why this was paid to Mr H and the customer service he received from Barclaycard.

The refund

I've considered what Mr H has said about Barclaycard failing to answer why it took them so long to return a credit balance and it hadn't been explained to him what happened in the first place. The letter Barclaycard sent Mr H shows that they didn't apply payments to his account correctly, meaning he paid more interest than he should have done.

There is a calculation on this letter as to how they've arrived at the £26.45. The calculation shows he is due a basic refund of £14.47, but Barclaycard explained that in addition to the basic refund of £14.47, in some months, the refund would have created a credit balance on his account. Because of this they included an extra 8% simple interest per year for those months as compensation, which equated to £14.97. As they have deducted income tax from this figure which equated to £2.99, then the total amount due for Mr H was £26.45.

Mr H has asked how it took this long for Barclaycard to realise the error. I've looked at Mr H's credit card statements. I can see his last statement was produced on 11 March 2009. This statement does not show a credit balance, it shows a £0.00 closing balance. So I'm not persuaded that Barclaycard were aware there was an error at the time Mr H's account was closed.

Barclaycard have told our service that they recently conducted a review into accounts they held which were on some sort of promotional interest rate between September 2004 and August 2019 and they found an issue with payment allocation where some customers were charged more interest than they should have been. Mr H's account was one of these.

I can see from Barclaycard's system notes that they sent Mr H the letter and response form on 27 August 2021. The system notes show that they received the response form on 15 October. I've looked at the copy of the response form that was sent by Mr H. This is dated 4 October 2021. So I've seen no evidence that Barclaycard lost the response form that Mr H sent them. But I can understand why Mr H believes this. I say this because on 7 October 2021, as Barclaycard hadn't received Mr H's response form yet, they sent him out a second letter. But Mr H would have been aware that he had already sent his response form back to Barclaycard, so I can understand why he believes they lost the response form. But I'm persuaded, based on the evidence, that there was a cross over in the post which gave Mr H the impression that Barclaycard had lost his form, when in fact they hadn't received it yet. I'm not persuaded that Barclaycard acted outside of the timescales that they told Mr H either.

I say this because the letter Barclaycard sent Mr H states "We'll then pay the Refund Amount to you within 30 days of receipt of your completed Response Form". Barclaycard confirmed to me that they paid the money to Mr H on 3 November, so I'm satisfied that this was within the 30 days they said it would take them to pay the refund to him from when they received the form on 15 October.

Customer service

As Mr H was concerned that he got another letter after he had already sent his response form back, giving him the impression that his form may have been lost, he attempted to contact Barclaycard on the telephone number they provided on the letter they sent him, to find out where his form was and his refund.

I'm persuaded that Barclaycard did let Mr H down here with how they handled his query and I'll explain why. I've listened to several of the phone calls that Barclaycard have forwarded me of what happened. On a phone call that Mr H has with them on 20 October, he explains to the call handler that this is the sixth time that he had called Barclaycard that day. He explains that three times he was placed on hold, only to be placed back in the main queue and on two of the calls, the line was disconnected. So I can understand why Mr H was frustrated when he couldn't get an answer to a relatively straight forward question.

On a call I listened to, the call handler who works in a branch, explains to Mr H that they are operating two different systems and that the systems aren't compatible yet. It's clear that the call handlers can't identify Mr H. He is given different telephone numbers to try. He also has problems when trying to return a call to a call handler who left him a voicemail three times as she didn't give her full name and it was not clear what her forename was, which led to further confusion when Mr H tried to return the call.

So I've considered the impact that this would have had on Mr H. I know Mr H has commented on the cost of the calls he has made. I asked Barclaycard about the costs of their telephone lines. They confirmed that their 0800/0808 telephone numbers were free to call from UK landlines and personal mobiles. As Mr H has not been able to provide any evidence of costs for these calls then I'm not persuaded it would be fair to award any call costs here when it would appear these were freephone telephone numbers.

I've considered the £25 compensation that Barclaycard have offered Mr H for the customer service they provided him. But I'm not persuaded that this recognises the impact the customer service had on him. I say this because he made several phone calls/was transferred to different departments, only to be either disconnected or re-routed back to the main switchboard. So this wasn't an isolated incident. Over a number of days, there were multiple occasions where the call handler was not able to confirm that they had his response form, or when the refund would be sent to him. This is despite Mr H ringing Barclaycard on the number they gave him and he quoted the same reference that was on his letter.

Mr H was inconvenienced by being passed from one department to another, in what should have been originally a quick phone call to explain that they received his form on 15 October and they were processing his refund which could take up to 30 days for this to happen. But this did not happen. Even when Mr H attempted to call back the call handler on the number she left for him, he was unable to speak to her, which caused him distress. The call handler he spoke to did not recognise the lady who left the messages for Mr H and he was unable to transfer him to her department as he explained the department didn't work after 5pm.

So I've considered what would be fair compensation to recognise the impact that the numerous unsuccessful calls had on Mr H. I'm persuaded that a total of £100 would be fair and reasonable for the impact the calls had on Mr H. I say this because there are multiple examples of poor customer service as documented above over multiple days. It wasn't an isolated incident. Mr H was given different telephone numbers to ring, the people he spoke to on these telephone numbers were unable to help him and in the main did not understand what he was referring to, and they were unable to identify him. It appears that Mr H was only able to find someone to help him once he raised a complaint. So it follows, I intend to ask Barclaycard to put things right."

I invited both parties to let me have any further submissions before I reached a final decision. Mr H accepted the provisional decision. Barclaycard also accepted the provisional 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

Putting things right

In my provisional decision I said I intend to uphold the complaint in part. I said I intend to ask Barclays Bank UK PLC trading as Barclaycard to pay Mr H a total of £100 compensation for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. Barclays Bank UK PLC trading as Barclaycard should settle the complaint in line with the instructions in the "*putting things right*" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 November 2022.

Gregory Sloanes
Ombudsman