

The complaint

Miss D complains that Barclays Bank UK PLC failed to process her international payment instruction.

What happened

In April 2022, Miss D made an international payment of £9,000 to her account in Cyprus. However in May, she noticed that the payment hadn't been received and that the funds were still showing in her Barclays account.

She said she called Barclays and was told that her access had been restricted because they were concerned about the recent transfer she had made. Miss D confirmed that the payment was a legitimate one and was told that it had gone through. This wasn't the case though, as the payment had in fact been cancelled and so needed to be made again.

When Miss D checked her Cyprus account, she noticed the payment hadn't been received and the money was still showing in her Barclays account. She called Barclays again but they weren't able to tell her what had happened. They also said they'd call her back but Miss D didn't receive a call.

Miss D was then told on 24 May that while she needed to make the payment again, she wouldn't be able to do it over the phone and that she'd need to go into a branch. As she didn't want to do this, she made the payment using a third-party provider.

Miss D complained as the payment was for her mortgage in Cyprus. While she had enough in her Cyprus account to cover the payment that hadn't arrived in April, she had been worried that the following payment due on 31 May wouldn't have been covered. She acknowledged that Barclays had tried to contact her but said they had left a voicemail which she couldn't hear properly and had only tried to contact her once.

Miss D also wanted to be refunded for any losses incurred in terms of the exchange rate used, as the rate used when the payment was made with the third-party provider could have been different to what it would have been, had the payment been made with Barclays.

Barclays responded and explained that while they want to have as little impact as possible on their customers, sometimes they have to stop certain transactions because their system spots something that looks irregular. They said they had tried to contact Miss D in April and left a voicemail but didn't hear back from her which led to the payment being cancelled.

As their fraud detection system had worked as intended, they weren't able to refund any losses that may have been incurred by Miss D, but they did pay her £100 in compensation as an apology for telling her the payment had been made when it hadn't.

Our investigator was of the view that Barclays should pay Miss D a further £100 in compensation. He said that while Barclays were within their right to stop the payment, they failed to communicate clearly with Miss D on several occasions and didn't try to contact her again once her payment had been cancelled.

In relation to the exchange rate, our investigator acknowledged that it was possible Miss D paid more in May than she would have done in April. However, he said that Miss D had known about the payment not being made in early May but didn't make the payment again until later in the month. Given the amount of time that passed, our investigator didn't feel it would be fair to hold Barclays responsible for any potential loss caused by fluctuations in the exchange rate.

Barclays agreed to pay Miss D a further £100. However Miss D didn't agree. She didn't feel our investigator had looked into whether or not she had lost out as a result of the difference between the exchange rate that had been used in May, compared to what it would have been in April.

Because of this, the complaint was passed to me for review.

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.

Having looked through everything, I agree with the outcome reached by our investigator for the same reasons. I will explain why.

Fraud detection systems are in place to help a bank protect their customers' accounts. Barclays have explained that if their system detects a transaction that seems irregular, they will stop it and attempt to contact their customer to see if it's legitimate. Barclays tried to contact Miss B but couldn't get through, so left a voicemail. They said that had she spoken with them sooner they could have released the payment without issue. While this is true, I do think they could have tried to contact her again. They also gave her the wrong information when they said the payment had been made when it hadn't. For these reasons I agree they should pay her an additional £100 to that already paid.

In relation to Miss D wanting to be compensated for a different exchange rate being used, I'm not able to ask Barclays to do this. Exchange rates change every day, and while I appreciate Miss D feels she may have received a worse rate than she would have done through Barclays, we can't pinpoint the day the payment would have been made, and so we don't know what the rate could have been.

At this service we can only look into what did happen and whether a business has acted fairly. In this case I believe that Barclays didn't do anything wrong in initially stopping the payment as it was one that was flagged as irregular. So the payment couldn't ever have been made on that date as it was stopped correctly.

Miss D was told that the payment had been cancelled in early May, so the payment could have been made then, or even slightly earlier had Barclays tried to contact her a second time. But again we don't know what rate may have been used as the payment could have been made on any one of the days in between Miss D finding out it had been cancelled, and when she made the payment through the third-party provider.

In the interest of trying to find some comparison, I looked at the wholesale market prices for the EUR/GBP exchange rate in early April when the rate was around £0.83 to the Euro. It remained around the same throughout May. On the date the payment was made, the wholesale market rate was around £0.85, and Miss B received a rate of £0.87 through the third-party provider.

Overall, while I fully understand the points Miss D has raised, I can't say that Barclays have done anything wrong in this instance in relation to stopping the payment and I'm not able to determine whether or not there was any loss in terms of the exchange rate. But I do agree that they should have tried to contact Miss D again, and that they failed to communicate clearly with her on multiple occasions.

For this reason, I'm asking Barclays to award an additional £100 to Miss D as compensation for the inconvenience caused. I know Miss D will find this disappointing, but I hope my reasoning explains why I'm not able to give her the outcome she hoped for.

My final decision

My final decision is that I partially uphold this complaint. Barclays Bank UK PLC should pay Miss D a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 1 March 2023.

Danielle Padden
Ombudsman