

The complaint

Mr Y is unhappy that Barclays Bank UK Plc deleted three payees from his payee list and with the customer service he received when he raised a complaint.

What happened

Mr Y sets up bill payments to be paid on the first day of every month towards the end of the previous month. He explained he tried to set up bill payments at the end of July 2022 and found that three of his regular payees had disappeared from his payee list.

Unhappy with this, Mr Y called Barclays to raise a complaint. He asked them to compensate him with £100 for the inconvenience he was caused in contacting the three payees to obtain their account details and resetting them up on his account. He says he wasted a lot of his valuable time. Barclays agreed to look into the matter and to give Mr Y a call back later that day.

When Mr Y didn't receive the promised call back, he contacted Barclays again. He says he had to explain the problem again and wait on hold for a long time. Barclays didn't log Mr Y's complaint as they believed the issue was linked to a previous complaint he had raised, which had already been dealt with. Mr Y was unhappy that Barclays refused his claim and his request for a letter confirming their position. He felt the service he received was poor.

Mr Y referred his complaint to our service. We asked Barclays to investigate Mr Y's complaint and issue a final response letter. Barclays explained that the payee details were deleted due to a system error that doesn't recognise future dated payments as payments. They apologised for the inconvenience and frustration this caused.

Barclays also said they were disappointed with the way the call with Mr Y was handled and agreed their colleague should've offered him more support. They explained feedback had been provided to their colleague to prevent a repeat of this error. They offered Mr Y £50 compensation to recognise the distress and inconvenience he was caused.

Mr Y didn't accept the £50 compensation as he didn't feel it took into account everything that took place and the impact it's had on him. To put things right, he asked for £1,000 compensation based on his health.

Our investigator said that the compensation offer of £50 was fair and reasonable. He didn't ask Barclays to do anything further to resolve the issue. Mr Y disagreed and asked for an ombudsman to review his complaint.

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.

Firstly, I note that Mr Y has expressed the frustration caused by some of the issues he's experienced previously regarding payees. I'd like to clarify that I won't be commenting on this as it has already been considered by our service as part of a different complaint.

I'll only be focusing on the specific issues Mr Y has raised as part of this complaint – that three of his payees were deleted from his payee list and the poor customer service that he received from Barclays in trying to raise a complaint.

Barclays has already admitted to a bank error here. They accept that a system issue means that it doesn't recognise future dated payments as payments which caused the payees to be deleted from Mr Y's payees list.

I understand that Barclays are working on resolving the known issue, but they can't give a timescale of when they will fix the problem or confirm if it can even be fixed. I hope that Barclays are able to find a solution to this issue soon. But, as Mr Y is aware already, our service isn't able to ask Barclays to change or improve their systems. I note he's told us he has already contacted the financial services regulator, The Financial Conduct Authority, whose remit this falls under.

Mr Y is now aware that there is a system issue which might cause him similar problems in the future, given how he manages his payments each month. Barclays has suggested through our service that he uses alternative methods of payments until this issue is resolved, for example, a standing order, direct debit or card payment.

I appreciate that bill payments are Mr Y's preferred method of making these payments. It's up to Mr Y to consider whether he accepts the alternative payment methods Barclays have suggested. But generally speaking, we'd expect a customer to take steps to mitigate their situation.

Mr Y has mentioned that faster payments, direct debits and standing orders use the same system so he'll have the same problem with them too. I think it may be helpful to explain that different payment methods operate differently, so Mr Y may wish to explore which option would work best for him. If Mr Y does encounter any issues, he'll need to raise this with Barclays separately at the time, if necessary, as I'm not able to consider future potential issues as part of this complaint.

I've thought about the impact this has had on Mr Y to decide if Barclays have fairly resolved the complaint, or if they should do more to put things right.

I can see Mr Y was able to set up the payees again and made the three payments on 1 August 2022 as expected. So, Mr Y hasn't suffered any financial loss. For example, penalties for late payment.

I accept Mr Y was caused some inconvenience as he had to spend time to contact the three payees to obtain their bank details and then set them up as payees again. I appreciate this would've also caused him frustration and annoyance, but I don't think the impact on Mr Y here was significant. It isn't unusual to experience some problems when carrying out banking activities which may cause customers some distress and inconvenience.

I've listened to the calls Mr Y had with Barclays in July 2022 when he tried to log a complaint and asked for compensation. Overall, I agree he received poor customer service. Following the first call, Mr Y didn't receive a call back within the promised time slot. I agree this would've been frustrating and disappointing for Mr Y and he had to call Barclays again.

During the second call, Mr Y had to repeat his problem again. And despite Mr Y describing in detail the problem he had, Barclays didn't log and investigate his concerns. Although the issue Mr Y experienced was similar to the complaint he'd raised previously, I think it should've been clear to Barclays that this was a different complaint. I can understand why Mr Y didn't feel listened to and was disappointed with the service he received. But I note Barclays told Mr Y he could complain to our service which he did, so he wasn't prevented from referring the matter to us.

Given that Barclays didn't take Mr Y's concerns seriously, coupled with the issues he experienced with the payees being deleted, I can understand why the impact on Mr Y was compounded.

I've taken into account the distress, frustration and annoyance Mr Y was caused, his comments about the impact this had on his health and the inconvenience he was caused. But I have to also bear in mind that Mr Y was able to sort out the problem himself which didn't delay his monthly payments. He also didn't suffer a financial loss.

I've also considered that Barclays have offered reasonable suggestions to avoid similar issues in the future until the system issue is fixed. They've also apologised to Mr Y and shared feedback with their colleague. These are steps I'd expect them to take as part of putting things right for Mr Y.

All things considered, I think £50 compensation offered by Barclays is fair and reasonable under the circumstances to recognise the distress and inconvenience Mr Y was caused. I don't agree that the impact on Mr Y here was significant enough to warrant further compensation. I'm satisfied Barclays have resolved this complaint fairly, so, I won't be asking them to do anything else.

My final decision

For the reasons explained above, my final decision is that Barclays Bank UK Plc should pay Mr Y £50 compensation, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 10 July 2023.

Ash Weedon
Ombudsman