

The complaint

The estate of Mrs B has complained about how Barclays Bank UK PLC (“Barclays”) handled disputed transactions that took place on the late Mrs B’s current account.

What happened

On 28 January 2022, a representative (Mr B) of the late Mrs B noticed two payments made from Mrs B’s current account to a business they did not recognise. The representative called Barclays’ fraud team to arrange for the amounts to be refunded back to the account.

During the call, Barclays said that it was already aware of the disputed transactions; it had placed a block on the debit card on the account; and said it had written to another of Mrs B’s representative’s (Mrs S). It transpired that the letter had been sent to the wrong address, so it was never received. As a result of the conversation, Barclays agreed to put a permanent block on Mrs B’s debit card.

Whilst on the phone, Mr B attempted to make a number of transactions from the account in question, but these were blocked by Barclays. Mr B was told that he would need to attend a Barclays branch with two forms of ID to unblock his access to the account.

Mr B attended a branch on 31 January 2022 with the requisite ID and was then put on the phone to Barclays’ fraud team by a member of the branch staff. Eventually, after a number of hours in branch, he was assured that all blocks on the late Mrs B’s account had been lifted.

When the Mr B returned home, he says that he attempted to make the payments again from Mrs B’s account, but says he was still blocked from doing so. He then contacted Barclays via webchat, and after a number of unsuccessful attempts to get someone to look into matters, the block was eventually lifted from the account and the payments were able to be made.

Mr B received a final response letter that was dated 2 February 2022. However, Mr B was unhappy with this, as he’d specifically asked Barclays (on 28 January 2022) not to raise a complaint until he had the opportunity to put all of his concerns to Barclays - which he did on 7 February 2022.

In Barclays’ response, it agreed to credit Mrs B’s account £50 for the distress and inconvenience caused.

Barclays says that it didn’t receive a signed disclaimer from the representative relating to the two disputed transactions. Because of this, on 15 March 2022, Barclays reversed the two credits (amounting to £155.95) it had previously paid into Mrs B’s account. This essentially put the account back in the position as though the two disputed transactions had been taken from the account – which resulted in the account being overdrawn.

This resulted in Barclays’ collections department sending letters to ask that the account was brought back to a credit balance and also a number of phone calls were made to Mr B. One of which I understand took place on the day of Mrs B’s funeral.

After the representative raised the complaint with our service on behalf of the late Mrs B, Barclays told our service that it is willing to recredit the £155.95 to the account; to also increase the amount of compensation to a total of £350 for the distress and inconvenience caused; and it had instructed its collections team to cease contacting the representatives of Mrs B, whilst our service look into the matter.

One of our adjudicators assessed the complaint, and they ultimately thought that what Barclays had offered was reasonable.

The estate of Mrs B disagreed, so the matter was referred 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.

Having looked through everything that has been provided, I can see that this matter has caused the representatives of the late Mrs B a great deal of frustration and inconvenience in getting this matter resolved. And I'm also sorry to hear that Mrs B sadly passed away in April 2022.

As the adjudicator explained in their assessment, our service can only award compensation for distress and inconvenience that has been caused to *eligible complainants*.

The representatives (Mr B and Mrs S) who have raised the complaint on behalf of the estate of Mrs B were acting in the capacity of power of attorney up until Mrs B sadly passed away on 23 April 2022. And then from 4 July 2022, after the grant of probate, they were acting in the capacity as executors of Mrs B's Will.

So in this case, as the complaint centres around the late Mrs B's bank account; the transactions that took place on that account; and also Barclays' administration i.e. fraud processes, surrounding Mrs B's account, the eligible complainant in this complaint is the late Mrs B – not her representatives. And that is the case both when they were acting in the capacity of power of attorney for Mrs B and also when acting in the capacity of Executor of her estate.

Having looked through everything that has been provided, I can see that the vast majority of the difficulties were experienced by the representatives of Mrs B, rather than by Mrs B herself. Indeed, I can see that Mr B acknowledged this himself, when he said in an email to our service on 12 October 2022:

"My sister acknowledges that most of the matters referred to in the overall bundle of documents relate to things that have occurred between me and Barclays while I was acting initially as an authorised third party to my mother's account and latterly as one of her executors."

Therefore, in short, I'm unable to ask Barclays to pay any compensation for any distress or inconvenience that either of the representatives (Mr B or Mrs S) may've experienced as a result of this matter. This is because neither of them were, or are, eligible complainants.

However, I can consider any financial loss that Mrs B or her estate may've incurred. And I can consider any distress or inconvenience Mrs B may've incurred as a result of this matter.

As it does not appear to be in dispute that the two transactions amounting to £155.95 were fraudulently taken from the late Mrs B's account, I think that Barclays's offer to refund these amounts is fair, as it puts Mrs B's account back in the position it would've been in had the transactions not occurred (or had at least been refunded and stayed that way).

I also think that any overdraft interest or charges that were applied to the account as a result of Barclays' decision to reverse the credit to the account on 15 March 2022 should also be refunded back to the account. I say this as I think Barclays could've done more to reach out to the representatives of Mrs B to ensure the necessary form was completed, before the decision to reverse the credits was made.

However, in relation to compensation for distress and inconvenience, I can't see that the late Mrs B did suffer any distress and inconvenience - as the matter was handled almost entirely by Mr B.

At most, I recognise the late Mrs B may've experienced *some* inconvenience because her account was blocked, and so the payments that her representatives were authorised to make on her behalf, couldn't be made from her account. But everything that has been provided indicates that essentially the distress and inconvenience was caused to the representatives, largely Mr B, rather than to Mrs B herself.

So taking everything into account, I think that Barclays offer to credit the amounts of the disputed transactions back into her account, puts the late Mrs B back into the position she would've been in had the fraudulent transactions been reversed and stayed that way. And, beyond refunding any overdraft interest and charges that may've been incurred after the credits were reversed, I think Barclays' offer to pay £350 fairly represents any distress and inconvenience that the late Mrs B exclusively may've experienced in this matter.

Barclays is of course free to pay the representatives of the late Mrs B and her estate as much or as little compensation as it deems fit, due to their personal experiences in this matter. But, for the above reasons, I'm unable to make any findings on, or make any awards, for that aspect of the complaint.

It therefore follows that I'm unable to instruct Barclays to pay any more compensation specifically for any distress and inconvenience the representatives may've experienced, because that is beyond the remit of our service in this complaint.

I appreciate that Mr B in particular may be disappointed by this. But my powers as an ombudsman only exist because of the rules in place, so I must follow them.

Putting things right

Because of the reasons given above, I require Barclays to:

- Credit the late Mrs B's account with £155.95 to refund the disputed transactions on the account, if this has not been done already;
- Refund any overdraft charges and interest that may've been applied to the account specifically because Barclays reversed the credit to the account on 15 March 2022; and
- pay £350 to the estate of Mrs B for any distress or inconvenience that was caused specifically to the late Mrs B, prior to her passing away.

My final decision

Because of the reasons given above, I require Barclays Bank UK PLC to do what I have set out above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 20 February 2023.

Thomas White
Ombudsman