

The complaint

Ms S has complained about the way in which Barclays Bank UK PLC tried to put right the mis-sale of a payment protection insurance (PPI) policy.

What happened

Ms S complained to Barclays about the sale of PPI on her overdraft. Barclays agreed it had been mis-sold and paid her some redress by bank transfer. They later recalculated the redress and found they owed Ms S around £2,000 more. They sent her a cheque.

Ms S said she didn't get the money from that cheque. Her bank also said she didn't get it. But Barclays said that from their end it looked like the cheque had been paid.

Our adjudicator looked into things independently and upheld the complaint. They explained that they couldn't confidently say the redress had been paid, so they recommended Barclays reissue it. Barclays didn't respond, so the complaint's been passed to me to decide.

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.

This case is quite finely balanced. But based on the evidence I've got and the balance of probabilities, I've decided to uphold Ms S's complaint. I'll explain why.

In order to conclude that Barclays put right the mis-sale of this PPI policy, I would need to be satisfied that Barclays did indeed pay Ms S her redress.

I acknowledge that the money for the redress left Barclays' internal account – though it's not clear where it went after that. I also acknowledge that Barclays did not send a letter saying the cheque had voided – though that may have simply been an administrative error. And I acknowledge that Ms S received a similar amount in one of her accounts around the same time – though this was ultimately a different amount to the cheque, there's nothing to show it came from Barclays, and it arrived in Ms S's account before the redress money left Barclays' internal account.

On the other hand, the details for the receiving account on the cheque image not only do not appear to relate to Ms S, but do not appear to be valid details at all. Importantly, the cheque was marked as unpaid. And Ms S's bank confirmed that as far as they were concerned, she had not received this cheque in any of her accounts.

So while I do understand Barclays' point of view, it seems most likely that something went wrong with this cheque – for example, that it was not paid, or that it was paid to an account that was not Ms S's. Either way, I am not satisfied that Ms S received her full redress here.

It follows that the most reasonable thing to do now is for the redress to be reissued. To avoid any similar problems, I think it should be done by bank transfer.

Putting things right

I direct Barclays Bank UK PLC to reissue the redress to Ms S, by bank transfer.

My final decision

For the reasons I've explained, I uphold Ms S's complaint, and direct Barclays Bank UK PLC to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 3 May 2023.

Adam Charles
Ombudsman