

## The complaint

Mrs A complains about Barclays Bank UK PLC's actions after funds were paid into her account in error.

## What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

*Mrs A complains about Barclays Bank UK PLC's actions after funds were paid into her account in error.*

*Mrs A has explained she was expecting a dividend payment from a business I'll call N. On 21 July 2022, N made a payment of £32,185.91 to Mrs A's account. Mrs A has told us she went on holiday and wasn't aware that she'd received more than expected. On 12 August 2022 Mrs A transferred the funds to a savings account in her name.*

*Solicitors acting for N contacted Mrs A and explained it had sent the payment in error and that it had intended to transfer a much lower amount of around £4. The solicitors asked Mrs A to arrange an immediate repayment of the funds transferred in error.*

*Mrs A says she contacted Barclays to resolve the issue as she was concerned about being the victim of fraud. Mrs A has told us she had many conversations with Barclays' fraud team and was assured the funds would be removed from her account within 24 hours but they weren't immediately returned.*

*Mrs A has explained she received regular contact from N and solicitors acting on its behalf threatening legal action if the funds weren't returned.*

*Mrs A complained to Barclays as the funds weren't returned to N. Barclays issued responses to Mrs A's complaint and explained that on 21 September 2022 funds totalling £20,971.21 were removed from accounts that she had made transfers to and placed in a holding account. Barclays advised the refunds were made in line with Clayton's Case methodology and that it wasn't looking to make any further refunds. At this point, Mrs A's current account had over £12,729.21, enough to cover the remaining balance due to N.*

*The funds Barclays debited from Mrs A's account in September 2022 were placed in a holding account but not returned to N by Barclays. Mrs A has explained that she continued to receive contact from N and its solicitors during this period with the threat of legal action to recover the balance. In December 2022 Barclays applied account blocks to Mrs A's sole account and a joint account she holds with her husband. The account blocks were removed within 24 hours.*

*Mrs A referred her complaint to this service and it was passed to an investigator. The investigator thought Barclays had dealt with Mrs A's complaint fairly and didn't ask it to do anything else.*

*On 12 January 2023 Barclays issued a follow up final response to Mrs A's complaint. Barclays said Mrs A needed to make contact to confirm that she wanted the remaining £11,214.70 removed. Barclays also apologised for discussing the circumstances of Mrs A's complaint with her husband when he called about the block applied to their joint account.*

*Barclays paid Mrs A £400 and apologised for the distress and inconvenience caused. Barclays contacted Mrs A and recorded her consent for the remaining funds to be debited from her current account on 24 February 2023 and the full balance owed to N returned.*

*Mrs A asked to appeal the investigator's view of her complaint and explained Barclays hadn't paid the compensation promised in its final response. As Mrs A asked to appeal, her complaint has been passed to me to make a decision.*

### **What I've provisionally 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.*

*I've taken the step of issuing a provisional decision as the outcome for Mrs A's complaint has changed since the investigator issued their findings. Barclays has subsequently looked back at Mrs A's complaint and upheld it, awarding her £400 compensation. And Barclays has now returned the disputed funds to N. As matters have materially changed since the investigator issued their view, I need to give both parties a chance to respond before I make my final decision.*

*I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.*

*I've looked at the overall timeline for Mrs A's case and agree that the situation went on for longer than was necessary. Based on the information available, including what Mrs A's told us about her experiences, and Barclays' contact notes, I think it's fair to say there were some genuine misunderstandings between the parties involved. But I agree with Mrs A that Barclays provided unclear and somewhat confusing information concerning the process of returning the funds.*

*I recently asked Barclays to explain how it had applied the Clayton Case approach when taking funds from Mrs A's account last year. But Barclays has confirmed that the Clayton Case approach wasn't relevant in this case as this wasn't an instance of fraud. Barclays has explained that as Mrs A was asking Barclays to return the payment she received in error it ought to have acted on her instruction. I think that's a reasonable point and that Barclays could have resolved the situation in September 2022 when it made withdrawals totalling £20,971.21. Mrs A had sufficient funds in her current account to repay the full outstanding balance at this point.*

*Whilst I agree that the transfer of funds to different accounts did complicate matters, I'm satisfied Barclays could have resolved the issue and sent the disputed funds back to N earlier than it ultimately did.*

*Barclays issued a follow up final response to Mrs A in January 2023 and upheld her complaint, awarding £400 compensation. I've considered everything on file and the overall*

*timeline of Mrs A's complaint. Having done so, whilst I agree Barclays could've resolved matters sooner, I'm satisfied there was confusion over whether Mrs A consented to the funds being returned. In my view, the £400 compensation Barclays offered Mrs A fairly reflects the service provided and time taken to return the funds to N. To put it another way, the settlement is very much in line with what I would've told Barclays to pay had no offer been made.*

*As I'm satisfied Barclays has already agreed a settlement that is fair and reasonable in all the circumstances of Mrs A's complaint and the funds have now been returned to N I'm not telling it to do anything further.*

I invited both parties to respond with any additional comments they wanted me to take into account before I made my final decision. Barclays confirmed it accepted. We didn't hear back from Mrs A.

### **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 has supplied new information for me to consider I see no reason to change the conclusions I reached in my provisional decision. I still think Mrs A's complaint should be settled on the basis of Barclays' offer of £400, for the same reasons.

### **My final decision**

My decision is that Barclays Bank UK PLC has made an offer that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 27 June 2023.

Marco Manente  
**Ombudsman**