

The complaint

Mr B complained that Barclays Bank UK PLC froze his credit card for two weeks. Mr B said he wasn't able to use the card to make payments, and he was fined £85 as a result. Mr B said Barclays told him the card itself was damaged, but he was attempting online payments.

What happened

Mr B said that in October 2022, his credit card stopped working, and he couldn't use it for around two weeks. Mr B said he wasn't able to make payments during this time, and he told us he incurred a fine of £85.

Mr B said Barclays told him it had investigated. At first it said he was putting the wrong details in, but Mr B said the details were saved, and if they'd worked before, they should work again. Mr B said he'd even tried the transactions again on the phone with Barclays. Mr B said Barclays then told him that the problem was the magnetic strip was damaged, but he said he'd told Barclays that he was trying to make payments online.

Mr B said Barclays had offered £20 for inconvenience, but he said that didn't cover the fine he'd had to pay, or the time he'd taken trying to resolve this.

Barclays said Mr B's card was being repeatedly declined by the same type of merchant. Barclays said it could have been a problem with the magnetic strip, but it could also have been an error with the details of the card Mr B was inputting –the three digit card security code ("CSC") from the back of the card - or Barclays has also mentioned an incorrect expiry date.

Barclays said it had issued Mr B with a new card, and asked him to update his card details with all merchants and online services. But it didn't think that what had gone wrong here was its fault. It said it would pay Mr B £20 to cover the cost of phone calls that he had made, but it wouldn't pay more than this.

Our investigator didn't think this complaint should be upheld. She said the transactions Mr B made in October 2022 were declined due to an incorrect CSC being entered or a damaged magnetic strip. Our investigator said she thought it would have been helpful if Barclays had been clearer that transactions could have been declined for either of these reasons.

Our investigator said she appreciated Mr B had confirmed the details he'd entered online were correct, but she couldn't say there had been a technical issue on Barclays side, or that it made a mistake which caused this. And, looking at Mr B's statements for October and November 2022, she could see there were successful transactions. She understood a new card was issued, which is what she would have expected Barclays to do.

Our investigator didn't think Barclays had to do more than it had done already.

Mr B didn't accept that. He said we'd just reached the same conclusion as Barclays, but he'd already explained that it was unthinkable that he'd just entered the wrong CSC more than

ten times while trying to make the payment. He said one failed payment was online, the other was a phone order to a retailer. They weren't transactions he'd made in person. And when he used a different card, the payment went through.

Mr B was unhappy that we'd investigated and reached the same conclusion as Barclays. He said he wanted his case to be considered by an ombudsman, so it was passed to me for a final 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.

I've reached the same overall conclusion this complaint as our investigator.

I understand Mr B's reasons for saying that he couldn't possibly have made a mistake over his card details, as many times as Barclays suggested. And I appreciate why he's convinced the problem lay with Barclays. I think it would have been unhelpful for Barclays to suggest that the problem could be a faulty magnetic strip, when Mr B wasn't making physical transactions. So I can see why this would undermine his faith in the bank.

But I think that Barclays has shown us that the underlying problem with the transactions Mr B wanted to make, was that the CSC verification failed. And Barclays notes do indicate it told Mr B this on 19 October, when he rang back to say the payment he was attempting still wouldn't go through. I don't know why that happened, and I don't think I'm able to assume, in this case, that it's just most likely that the problem lay with Barclays, rather than that the CSC code Mr B gave didn't match the details saved with a business or input by a retailer.

As I've said, I can't be sure what's gone wrong here, and whether the cause was Barclays, Mr B, or an issue caused by the merchants Mr B was attempting to pay. It doesn't appear to me that there's any way now to be sure about that. But I don't think it would be fair and reasonable for me to ask Barclays to pay Mr B further compensation for what's gone wrong (in addition to the payment of £20 it's already offered for his call costs) or to cover the costs of fines that Mr B said he had to pay, unless I am able to conclude that it's more likely than not that these problems were caused by Barclays. And, considering all the evidence in this case, I haven't been able to reach that conclusion.

If something like this goes wrong, a problem which could have many causes, then what I would expect Barclays to do is to seek to assist Mr B with the problem. I can see that on 19 October, Barclays refreshed Mr B's card, to see if that would help. When it didn't, Barclays ordered a new card for him.

Mr B said that his card didn't work for around two weeks. He told Barclays that he hadn't been using it during this time. But it does appear from his statements as if he did use the card in October, with successful transactions that show on his statement after he complained to Barclays.

I can also see that Mr B rang Barclays again on 11 November, presumably after he'd received his new card, and said he was still having problems. Barclays' notes say Mr B told it then that his details were saved with the retailer, and they hadn't changed. Barclays said to Mr B then that he needed to update his details with merchants after a new card had been issued. Mr B's statements do seem to suggest that after this, the problem was resolved, as he started using his card regularly again in the second half of November.

For the reasons set out above, I don't think it would be fair and reasonable to ask Barclays to pay more compensation for the problem that originally occurred here. And I do think Barclays took reasonable steps, after it was alerted to the issue, to assist Mr B in getting this resolved. So, although I know Mr B will be disappointed, I don't think Barclays has to do more than its done already.

I understand Mr B may not have accepted the offer of £20 to cover his call costs, so I'll ask Barclays to pay that now, if it hasn't done so already.

My final decision

My final decision is that Barclays Bank UK PLC must pay Mr B £20 in compensation, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 October 2023.

Esther Absalom-Gough
Ombudsman