

The complaint

S, a limited company, complains that Barclays Bank UK PLC delayed crediting its account with a returned US dollar payment.

S is represented in this complaint by one of its directors – Mr H.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat everything in detail here.

In summary, S authorised a large US dollar payment on 3 April 2023 from its account with Barclays. The payment was returned by the beneficiary bank as the payment details didn't match its records. There was then a delay – around 7 weeks, for the payment to be credited back to S' account. In the interim, Mr H was regularly contacting Barclays chasing the return of the payment and was given inconsistent information. Mr H subsequently raised a complaint about the delay and Barclays' poor customer service.

Barclays says that when the beneficiary bank returned the funds it didn't provide details of the original payment so it couldn't identify where the funds should be credited. So, it sent the payment back to the beneficiary bank. Barclays says it subsequently contacted the beneficiary bank numerous times about the return of the payment but didn't get a response until 12 May 2023. And, as soon as the payment was returned to it, S' account was credited. While Barclays acknowledged Mr H's frustration it didn't think it had done anything wrong.

Unhappy with the outcome, Mr H referred his complaint to this service. Our investigator looked into it. She didn't think that Barclays was responsible for the delay in the funds being returned to S. But she did think Barclays could have explained what was happening better than it did. She recommended that Barclays should pay S £150 compensation to recognise the inconvenience caused due to the lack of customer service.

Barclays accepted the investigators recommendation. But Mr H said that the compensation payment recommended didn't fully recognise the time spent on this matter. He said he'd spent around 20 hours over many weeks chasing the return of the payment and that S' standard hourly rate is £190. He considered this to be a financial loss and thought compensation of nearer £10,000 was more appropriate. As agreement couldn't be reached, the complaint has 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.

Having done so, I've reached the same overall conclusion as the investigator. I'll explain why.

It's not in dispute that the beneficiary bank returned the payment to Barclays. Barclays says the funds were sent back to the beneficiary because the payment was returned to it in a different way to how the payment was sent which is contrary to normal circumstances. And that the returned payment didn't include details of the original payment, so it was unable to apply it to the right account.

On balance, I don't find that Barclays did anything wrong here. I've not seen anything to suggest that Barclays acted incorrectly returning the payment that had been sent back to it using the wrong process and didn't include the original payment details.

But I can see that following this it took a long time for the payment to be credited back to S' account. So, I've thought carefully about what happened during the delay. Barclays has provided a full list of the messages it sent via 'SWIFT' – the banking system used by businesses to securely send information about payments. And I'm satisfied that Barclays contacted the beneficiary bank numerous times to trace the payment and to ask for it to be returned with the correct details and that a full response wasn't received until mid-May 2023.

Overall, I'm persuaded that Barclays did enough to try and get the payment returned to S as soon as possible. So, I don't find that Barclays was responsible for the delay.

I've seen that Mr H has suggested that Barclays should change its process to avoid similar situations for other account holders. But as the investigator explained, that's not the role of this service. We don't have the power to punish a business or tell it to change its processes. Rather we look at each individual complaint and, if something went wrong, we award compensation in recognition the impact the error had. But we don't compensate for the impact of events that were outside of the business's control, or for the effects of a third party's action.

But like the investigator I agree that Barclays' customer service could have been better than it was. Mr H has said he spent 20 hours dealing with this matter and the hourly rate S charges is £190. But I don't consider this to be a direct financial loss as we don't award compensation based on a person's or a company's hourly rate. Furthermore, S is the eligible complainant here - not Mr H. And, as the investigator has explained, we can't make an award compensation to Mr H for the distress this matter has caused. But we can award compensation for the inconvenience caused to S.

Barclays has accepted that the customer service it provided to S while the payment was being chased with the beneficiary bank wasn't at the level it should have been. The investigator recommended compensation of £150. I consider this to be fair and reasonable in recognition of the inconvenience caused to S because of Mr H (on behalf of S) having to spend time chasing the payment and the inconsistent information he was provided with.

My final decision

For the above reasons, I uphold this complaint.

Barclays Bank UK PLC should pay S £150 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 11 December 2023.

Sandra Greene
Ombudsman