

## **The complaint**

Mrs B complains Barclays Bank UK PLC have unfairly reduced her overdraft and applied charges to her current account. She's also unhappy they closed down her complaint when it hadn't been resolved.

## **What happened**

Mrs B complained about Barclays reducing her overdraft now when she's in a financially better position. She's also unhappy the overdraft has gone from £2,000 to £260. In resolution she'd like all the charges Barclays have been applying on her account since 2015 to be refunded. She says she was in financial difficulties and thinks Barclays should refund them. And, when speaking to Barclays on 5 September 2023, she was unhappy Barclays had closed down her complaint in error.

Barclays said they'd reduced Mrs B's overdraft in line with the terms and conditions so hadn't done anything wrong. In respect of the charges, they explained Mrs B had raised a complaint about charges previously in October 2019 – so in any new complaint this is the earliest they'd go to. They said the charges had been applied correctly and in line with the terms and conditions of the account – so they wouldn't be refunding them and didn't uphold this part of her complaint either. They did though say sorry for closing her complaint when it shouldn't have been and paid £100 into her current account for this.

Mrs B contacted us and said she was under a lot of stress in 2019 so that's why she didn't contact us, but she felt all charges from 2015 onwards should be considered. She also said she refused the £100, but they automatically paid it into her account.

One of our Investigators looked into things. He explained because Mrs B had previously complained we couldn't look at any charges before October 2019. Mrs B ultimately accepted that.

He then considered the remaining issues – the reduction of the overdraft, charges since October 2019, and the closing down of Mrs B's complaint – and found Barclays hadn't done anything wrong on the first two issues. And the compensation paid for the last issue was fair.

Mrs B didn't accept this. She said Barclays had a duty of care to review her overdraft yearly which they didn't, and they closed down her complaint which they shouldn't have done. So, as Mrs B didn't agree, 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.

### *Reduction of the overdraft*

Generally, overdrafts are 'repayable on demand' which essentially means lenders can withdraw any overdraft and ask for any outstanding monies owed.

The terms and conditions confirm this – and say they'll give Mrs B at least 30 days' notice to do so.

I've been provided with copies of the letters and the date the overdraft was reduced:

- Letter dated 23 March 2022 says the current overdraft is £2,520 and it'll be reduced to £1,090 from 11 May 2022. I've seen evidence to show this is what happened.
- Letter dated 28 June 2023 says the current overdraft is £1,090 and it'll be reduced to £260 from 16 August 2023. I've again seen evidence to show this is what happened.

In the circumstances, I'm satisfied Barclays have given Mrs B at least 30 days' notice before reducing her overdraft, so I don't think they've done anything wrong.

### *Charges applied to the account*

As our Investigator explained, we're only able to consider charges from October 2019 onwards.

As our Investigator helpfully explained all the rules and regulations that sit behind Barclays applying charges I won't go over them again in detail. In summary though, to uphold Mrs B's complaint and require Barclays to refund charges, she'd have to have been a persistent user of the overdraft to the extent Barclays should have realised.

I've reviewed Mrs B's statements in detail from October 2019 onwards, and I'm not satisfied her account usage meets that test.

I say that because although she does go overdrawn, it's for small periods of time. And, each time, Mrs B transferred money either from a savings account held with Barclays, or another account, to bring her back under the limit. In the circumstances, the evidence I've got doesn't show Mrs B was a persistent user of the overdraft to the extent I'd have expected Barclays to have stepped in. So, I won't be asking them to refund her any charges.

### *Closing down her complaint in error*

It's clear this has upset Mrs B when Barclays made this error. But I've seen nothing to suggest it was anything other than an error. Mistakes can and do happen. In the circumstances, most likely I'd have said an apology was sufficient to put matters right, so the fact Barclays paid Mrs B £100 compensation for this is more than fair in my opinion.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 April 2024.

Jon Pearce  
**Ombudsman**