

The complaint

Mr B and Mrs B complain that Barclays Bank UK PLC returned funds to their former tenant without their authorisation.

What happened

Mr and Mrs B say that the tenant of their flat gave notice to end the tenancy, but he was very late in paying his last month's rent in August 2022. They say that as per the tenancy agreement, the rent was due by bank transfer in advance, so it should have been paid on 30 July, but the £695 was only paid on 1 September 2022. Mr and Mrs B authorised his £800 deposit return, but when they were submitting their accounts there was a reference on their Barclays account they didn't recognise, so they contacted Barclays.

Mr and Mrs B say that initially Barclays told them it was for an international payment, so it had looked as if a scammer had accessed their account and removed money, but then Barclays told them the money had been requested to be paid back to the person who made the payment. They said Barclays said they wrote to Mr B, but he didn't receive a letter, and they didn't try to contact Mrs B, so Barclays paid the money. Mr and Mrs B made a complaint to Barclays.

Barclays did not uphold Mr and Mrs B's complaint. It apologised for the distress and inconvenience this matter has caused them. It said the funds were removed from their account following a recall request from a third party building society. It said the standing order was from their former tenant, which it said he told his building society it was sent in error. Barclays said as the recall process was followed it cannot support their complaint. Mr and Mrs B brought their complaint to our service.

Our investigator did not uphold Mr and Mrs B's complaint. He said he'd been provided with a letter Barclays sent to their home address, addressed to Mr B, which asked him to contact it upon receipt of the letter and confirm if the payment was correctly credited to the account or not. He said the letter gave Mr B 15 days to contact Barclays to provide further information in relation to the credit, and it also mentioned if Mr B was able to provide an explanation or proof, the payment would be returned to their account. But as Barclays received no response, it sent the payment back to their former tenant.

Mr and Mrs B asked for an ombudsman to review their complaint. They made a number of points. In summary, they said no letter was received by Mr B from Barclays. They provided photographs to show a large number of letters that are put through their letterbox that are addressed to other people at other addresses, and they assume that some of their mail also gets delivered to incorrect addresses. They said Barclays should have sent the letter via recorded delivery. Mrs B says Barclays should have also written to her. Mr and Mrs B said Barclays failed to ring them or send them further communication about the Credit Payment Recovery (CPR). They said Barclays may have written a letter but didn't send it.

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.

Firstly, I'm aware that I've only summarised Mr and Mrs B's complaint points. And I'm not going to respond to every single point made by them. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr and Mrs B that it is not within this service's remit to tell a business how it should run its policies and procedures, such as its CPR process including whether it should send post by recorded or standard delivery, or whether it should try other methods to contact its customers if it receives no response to the letter it sent. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Barclays to make changes to its policies and procedures, if necessary.

I've considered what Mr and Mrs B have said that Barclays may have just written them a letter and not sent them it. So I asked Barclays about this. It sent me a screenshot and it appears this letter was sent on 16 September 2022 at 15:56pm. The document on the screenshot has a reference which matches up with the reference on the letter, and the reference includes some of the text on Mr and Mrs B's bank statement when the CPR was debited from their account on 16 September 2022. So on the balance of probabilities, I'm persuaded Barclays did send Mr B the letter.

Mr and Mrs B have said that they receive post meant for other people, and they assume that their post must also be received by people other than them. I don't doubt what Mr and Mrs B have said here, especially based on the photographs they've sent our service showing different recipients and different addresses. But I can't hold Barclays responsible for any postal errors as this is out of its control.

What I need to consider is whether Barclays followed its CPR process and if it made any errors returning the payment. I've had sight of the email from their former tenant's building society. So once Barclays receive a CPR request, it is obliged to act on it. Barclays don't send the letters for a CPR by recorded delivery – and it isn't obliged to. It also isn't obliged to ring a customer to follow this up. The letter was addressed and sent to Mr B's registered address. So I can't see Barclays made an error here.

I've considered what Mrs B has said about how Barclays should have written to her also. But the terms and conditions show that Barclays will *"send information about the account to the address of the first named person. We'll do this unless we're legally obliged to contact everyone on the account. You can change your chosen person – just ask us."* Mr and Mrs B can change the first named person if they wish to do so, but I'm not persuaded Barclays made an error here.

The terms also show that Barclays can take a payment out of Mr and Mrs B's account or put a hold on the money so they can't spend it if money is paid into their account by mistake. Although Mr and Mrs B know this wasn't a mistake based on the terms of the tenancy agreement, Barclays weren't to know this at the time. So it acted on the information from the third party building society who told it there was a failure to cancel a standing order. The email from the building society also says *"if treatment not in line with CPR process explain rationale"*.

This is why Mr B was sent a letter, as the letter said *"If you believe that the payment credited to your account is not an error, then please contact us within 15 working days of the date of this letter. If you are able to provide an explanation or a form of proof that the payment is not an error and that it was due to you, we will return the funds to your account and write to*

advise the sending bank.”

So when Barclays did not receive a response, it acted as I would expect it to act, and it returned the funds. While I've noted the strength of feeling Mr and Mrs B have about this, Barclays had an obligation to return the funds under the CPR process, and therefore I can't ask it to return the £695 which they returned, as it made no error with this. Barclays do not hold this payment. As this was returned to Mr and Mrs B's former tenant, this would be a civil matter between Mr and Mrs B and their former tenant.

I've considered what Mr and Mrs B have said about being told the payment was an international payment and they may have been scammed. I asked Barclays about this. Barclays said when Mrs B rang them on 24 April 2023 she spoke with an advisor who was unsure what the reference related to, and it was mentioned usually that type of reference related to an international payment. It said during the same call Mrs B was passed to its Global Payments Team who deal with international and recalled payments. It said the reason for the return of the payment was explained, so all of the information was given in the same call.

I am persuaded that Mrs B would have been caused some distress with the incorrect information before she was told the correct information. But as the incorrect information didn't affect the CPR as the funds had been returned several months earlier, I'm satisfied that the apology Barclays gave Mrs B for any distress and inconvenience caused in their final response to the complaint is proportionate here. So it follows I don't require Barclays to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 10 July 2024.

Gregory Sloanes
Ombudsman