

The complaint

A company which I'll call 'M' complains that Barclays Bank UK Plc treated them unfairly when they attempted to recall some international payments they'd made.

The complaint is brought on M's behalf by their manager, Miss S and one of their directors, Mr R.

What happened

M told us:

- They made two international payments on 1 December 2022. One for \$6,400 and one for \$26,487.60. Barclays held the payments as it said it needed to security check them.
- Barclays held the payments for a significant period of time, so on 19 December 2022, M asked the bank to recall the payments. Barclays said it had successfully recalled both payments, however it then said it had only received the \$6,400 back.
- Barclays said it had contacted the beneficiary and intermediary bank's and had been unable to recover the funds, so there was nothing further it could do. So, they'd also had to make the \$26,487.60 payment to the original beneficiary again.
- After they had brought their complaint to this service in February 2023, the bank chased for the return of the funds again and was successful. However, they only received back \$26,437.60.
- Barclays had offered them £50 compensation and £30 to cover the difference in the returned funds but this wasn't enough for the inconvenience caused.

Barclays told us:

- M had requested two international transfers on 1 December 2022. It had held M's payments for security checks and had needed to request further information about the payments from the company on 8 December 2022.
- On 19 December 2022, M had requested the funds be recalled. It had recalled the funds as requested, without charging M the £20 fee, but only the \$6,400 had been returned.
- The process for recalling payments is on a best endeavors basis and can take up to 25 days. It had submitted recall requests to both the beneficiary and intermediary bank, but hadn't initially received a response so it hadn't been able to help M.
- After M had complained to this service, it had chased the intermediary bank again and been able to recover \$26,437.60. There had been a difference in the funds returned compared to the payment that M had made originally, due to the change in exchange rate and or charges taken by the other bank to return the funds. However, it wasn't responsible for this shortfall.
- It had apologised to M for the time taken to provide a response and offered £50

compensation for the inconvenience caused. It also offered as a gesture of goodwill to refund £30 to cover the difference in the recovered payment to the original transfer request. However, it hadn't made an error in how it had processed or recovered M's payment.

Our investigator didn't recommend the complaint be upheld. He didn't think Barclays had made an error in checking M's international transfers, and he was satisfied that the bank had tried to recall the payments. He also thought that Barclays wasn't responsible for the shortfall in the funds returned to M as this had been caused by exchange rate losses and/or intermediary bank charges. He acknowledged that M had waited for their funds to be returned and had to chase for this. However, he thought the £80 offered by the bank was enough to put things right.

M didn't agree. They said that their complaint was more that Barclays were difficult to contact and didn't tell them why their beneficiary didn't receive the funds they'd transferred. They also didn't think Barclays had done enough to recall their money and repeatedly said it couldn't help.

I issued a provisional decision on 15 January 2024. I said the following:

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 decided to uphold it in part. I'll explain why.

M told us that that they felt Barclays hadn't been helpful when they'd made their international payment which had taken a long time to be processed and the banks communication had been poor. However, I've looked at the evidence provided by the bank, and I can see that it wasn't Barclays that had requested further information about the transaction. When undertaking an international payment, any of the banks involved in the transaction can request information as part of their own security checks. In this case, one of the intermediary banks requested information which Barclays provided in a reasonable timeframe. So, I can't fairly hold Barclays responsible for the delays caused to M's payments by other banks. Nor can I say the bank acted unfairly as it was only able to provide very limited information about this.

I've also seen the Barclays' terms and conditions for sending and receiving international payments which show the fees payable and also explain how exchange rates are calculated. So, I think M ought to have been reasonably aware that if they cancelled their international payments, that there was a possibility they would lose money as a result of the changes in exchange rate. So, I don't think Barclays treated M unfairly when it refunded their payments, based on the applicable exchange rate. However, I can see that Barclays has already offered to refund the £30 exchange rate difference.

However, I do think Barclays could have provided M with a better service once they had asked for these payments to be cancelled. I've looked at the evidence provided by the bank, and I've seen that it does have processes in place for dealing with beneficiary and intermediary bank and timescales that it adheres to. I also acknowledge that Barclays was limited because it had to wait for M's funds to be returned as requested. But based on what I've seen, I'm not persuaded that both M's payments were recalled at the same time by the bank, which led to a delay. I've also seen that M had to repeatedly chase Barclays for an update on the payment, and that the bank's actions were often reactive to M's contact, rather than proactively follow its process or attempt at recovery. So, I think that Barclays did

cause M some inconvenience here, albeit not the whole delay as the company thought. Therefore, I think Barclays should increase its compensation from the £80 it already offered (£30 for the exchange rate loss and £50 for the inconvenience) to £200 to take into account the time spent by M having to chase Barclays and the delays it was solely responsible for.

I invited M and Barclays to give me any more evidence and information they wanted me to consider before issuing my final decision. M accepted the decision asked that we provide their comments to that bank that they felt feedback and training was required for its staff when dealing with complaints. Barclays accepted the decision. It also said it had noted the comments from M and said that it would include this in its analysis to improve its customer service.

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, and as both parties have responded to say they accept my provisional decision, I see no reason to reach a different conclusion.

So, this final decision confirms the findings and proposed settlement as set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I instruct Barclays Bank UK Plc to pay M £200 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 13 February 2024.

Jenny Lomax
Ombudsman