

## **The complaint**

Mr B complains, via his daughter, that Barclays Bank UK PLC closed his savings account without checking for Direct Debits. Mr B says this account closure caused him to miss payments to his media provider which meant he had to set up a new account and package at an increased price.

## **What happened**

In January 2023 Mr B visited a branch of Barclays to ask for his daughter to be added to one of his accounts so she could deal with his banking affairs.

During this meeting Mr B also agreed to close two savings accounts and opened a new ISA account.

Several weeks later Mr B's daughter discovered Barclays had closed the savings account which paid for Mr B's media package by Direct Debit. She said this caused Mr B to miss payments and his media account was closed. Mr B contacted the media company and reinstated his services, signing up for an 18 month package.

Mr B's daughter explained this same package now cost Mr B considerably more than it would have if the payments had continued by Direct Debit as they were supposed to. She explained this was because Mr B lost his loyalty discount when the account closed due to the missed payments.

Barclays has apologised it failed to recognise Mr B had Direct Debits set up on his savings account when it closed it and have offered £200 compensation.

Barclays also offered to compensate Mr B for the increase in price for 12 months of his new media contract and explained it has considered the difference between the last amount he paid in January 2023 and his new contract. Barclays calculated this loss at £385.56 compensation.

Mr B's daughter has provided a bill for Mr B's media package showing his package was costing £165.50 per month in February 2023. She also provided a copy of his previous contract showing the discounts on his media account, and his previous contract cost £98 per month. Mr B's daughter separately provided evidence Mr B had agreed to a new contract with the same media provider for the same services as his old contract.

Barclays said no new Direct Debit had been set up with them to pay for Mr B's new media package in their response to us in May 2023.

The bill Mr B's daughter provided coincidentally shows Mr B's media package was due for renewal in February 2023, shortly after the account was closed. It shows the package may have reverted to £157 after the discount period in February 2023 if Mr B did not renegotiate his package price or agree to a new package.

Mr B's daughter explained the last payment on his old package, for £133.47, was for extras for that month and was not his usual £98, and therefore Barclays' calculations for redress were based on incorrect figures.

Mr B's daughter thinks Barclays should compensate Mr B for the difference between £165.50 and £98 for the 18 month period.

Our investigator thought Barclays had made a mistake when it closed Mr B's account without checking for Direct Debits. However, he thought Barclays had done enough to put this right by offering total compensation of £585.56.

Our investigator explained they were not persuaded Mr B's daughter had evidenced the losses she claimed Mr B had suffered due to Barclay's mistake.

Mr B rejected this offer, explaining he did not consider it fair as he was still out of pocket due to Barclay's mistake, he asked for an ombudsman to consider this complaint.

This complaint has therefore been passed to me to make 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.

Firstly, I will deal with Barclays closing Mr B's savings account without realising there were current Direct Debits set up on it.

I accept it is unusual for savings accounts to have Direct Debits set up, Barclays explained it has not provided this service on savings account for some time.

Nevertheless, I think it is still reasonable to expect Barclays to make some simple checks before closing an account. I think this should have including looking at activity on the account including statements, which would have shown regular payments were being made into the account and Direct Debits regularly being taken. Alternative arrangements could then have been made to ensure all payments in and payments out were maintained.

Barclays have apologised for this error, I am satisfied they have accepted this was Barclays' mistake.

I therefore uphold this part of Mr B's complaint.

I shall now discuss the financial loss Mr B's daughter has claimed Mr B has suffered.

As evidence of Mr B's loss, Mr B's daughter submitted a screen shot from the media provider stating Mr B's new package was 'like-for-like' and for a further 18 months. This screen shot is undated and does not include any costs or details of what Mr B is now paying per month for his media package.

Whilst I am satisfied Mr B has a like-for-like package, I could not see any evidence of the cost of this package other than the one bill from February 2023, when Mr B may have been out of contract, showing the package was £165.50 for that month. There are no details of any contract Mr B may or may not be in on this bill.

I have also considered the contract Mr B's daughter provided showing Mr B was paying £98 before February 2023. There is reference to five active discounts on this contract. Four of

these five discounts were due to end on either 4 or 5 of February 2023, the only discount not ending was the HomeWorks Discount, which was maintained and can be seen on Mr B's bill in February 2023.

There is no references on this contract to any on-going 'loyalty discounts'.

Since our investigator's view was issued, our service asked Mr B's daughter to provide evidence of the increased package price Mr B had now agreed to by providing his contract with his media provider.

Mr B's daughter has not been able to provide this evidence explaining she had looked for the contract but was unable to find it. She said Mr B was satisfied we should now make a final decision on the information we already have.

Where financial loss is claimed, I need to be sure I have clear evidence demonstrating the loss to make an award. This is different to an award for distress and inconvenience, an award for loss looks to simply put the individual back in the situation they would have been in had the bank not made the mistake. Therefore, to be fair to all parties when making an award, I need to be able to evidence and calculate clearly the loss to the bank.

I consider I have evidence which shows Mr B's contract was due to end in February 2023, and he was issued a bill for what appears to me to be an out of contract sum around the same time.

I have not seen any compelling evidence this continues to be the amount Mr B has to pay each month for his services, or that he suffered an ongoing loss due to a higher priced contract because of these issues.

I therefore think, considering the evidence I do have, I am unable to reasonably evidence the loss Mr B's daughter has claimed Mr B has suffered. I therefore do not uphold this part of the complaint.

I can see a late payment charge of £7.50 was added to Mr B's media account because of the missed Direct Debit. As I have clear evidence for this charge, I will uphold this part of Mr B's complaint.

However, although I think I can't evidence the loss Mr B's daughter is claiming as an impartial decision maker, I understand Barclays has offered to pay compensation of £385.56 for the loss. This is Barclays' decision and, for the sake of clarity, I will follow its position in this decision.

Finally, I think the compensation of £200 offered by Barclays for the distress and inconvenience it caused by not realising Mr B had active Direct Debits on his savings account, is fair and reasonable in the circumstances and is in line with similar awards I have seen.

### **My final decision**

My final decision is I partially uphold this complaint. I require Barclays Bank UK PLC to pay Mr B £585.56 for the loss, distress and inconvenience it has caused him, that it has previously offered him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 April 2024.

Gareth Jones  
**Ombudsman**