

## **The complaint**

Ms C complains that Barclays Bank UK PLC set up a direct debit to come out of the same account as her loan was paid into. Ms C says she wasn't asked which account she wanted the direct debit to be set up on.

## **What happened**

In October 2022 Ms C took out a loan with Barclays. The loan was paid into her account ending 5869. Direct debit payments were set up to repay the loan from the same account.

Barclays sent Ms C a letter on 4 November 2022 stating which account the direct debit had been set up on and asking her to contact them if any of the details were incorrect.

The first direct debit payment was taken in December 2022.

In or around May 2023 Ms C realised which account the direct debit payments were coming from and complained to Barclays.

In response, Barclays transferred the direct debit to the account that Ms C wanted the payments to come out of.

Ms C remained unhappy and brought her complaint to this service. She said she'd been under pressure when she took out the loan and hadn't noticed that the repayments were coming from the wrong account. She said that during one of her calls with Barclays she'd been promised compensation, but the call hadn't been recorded. Ms C said she wanted a refund of the payments which had been taken out of the wrong account.

Our investigator partially upheld the complaint. He said that the Barclays loan application process stated that the account for payments to be taken from should be confirmed, and that Ms C hadn't been asked about this during the loan application. The investigator said that Barclays should've confirmed Ms C's preference rather than made a unilateral decision, and said that Barclays should pay compensation of £250 for the distress and inconvenience caused to Ms C.

Ms C didn't agree. She said she wanted more compensation.

## **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.

I've reviewed Barclays loan application process. This states that the account to which loan funds should be paid should be confirmed with the customer. It also states that the customer should be asked to confirm whether they would like the loan repayments to be made from the same account or from a different account.

I've listened to the call recording for Ms C's loan application dated 28 October 2022. Ms C wasn't asked which account she wanted repayments to be made from. I'm satisfied, having

reviewed the loan application process and having listened to the call, that Barclays failed to follow the process correctly.

I can see that Barclays wrote to Ms C the day after the loan was approved with a payment reminder letter. This letter stated that the first loan repayment was due in December 2022 and set out the account from which the direct debits would be taken. The letter asked Ms C to contact Barclays if any of the details were incorrect.

I can't see that Ms C responded to this letter to let Barclays know that the account details for the direct debit were incorrect. I appreciate that Ms C has said that she had a lot on at this time, but I think she must accept some responsibility for not letting Barclays know that there had been a mistake with the account.

I've looked at how Barclays responded when Ms C raised her complaint. She's said that during one of the calls she felt that the complaint handler was laughing at her, which caused her distress. I haven't been able to listen to the call, but I've got no reason to doubt Ms C. I'm sorry to hear that she found the call upsetting.

### **Putting things right**

I appreciate that Ms C has asked for all the repayments which were made from the wrong account to be refunded to her. I don't think this would be a fair outcome, because Ms C is liable to make the repayments under the terms and conditions of the loan. If the repayments were refunded this would amount to payments being waived, and I don't think there are grounds to ask the business to do this.

That said, and taking into account the service failings by Barclays, I think it's fair to ask Barclays to pay compensation to Ms C for the distress and inconvenience caused to her. I think the sum of £250 is fair and reasonable.

### **My final decision**

My final decision is that I uphold the complaint. Barclays Bank UK Plc must pay compensation of £250 to Ms C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 27 March 2024.

Emma Davy  
**Ombudsman**