

The complaint

Mr and Mrs G complain that Barclays Bank UK PLC ('Barclays') provided poor customer service when they tried to make an international transfer.

For ease I will refer to all comments and actions as those of Mr G.

What happened

Mr and Mrs G had a joint current account with Barclays. They travelled abroad for a family wedding and, while there, placed a £2,000 deposit on bespoke jewellery that was to be a wedding gift. The total cost of the jewellery was around £8,000. Given the limitations of paying by cash or credit card in the country they were visiting, the balance was to be paid by bank transfer when Mr G returned to the UK. Mr G said he needed to complete the transfer within around a two-week period, to ensure that the gift could be collected by family members before they too returned to the UK.

Mr G visited a Barclays branch in the UK at the beginning of October 2023 in order to make a test payment of £50 to the jeweller. He said he wanted to test that this smaller amount would get to the businesses' bank account without any problems. The payment didn't go through, and Mr G did not become aware of this until he phoned Barclays to check why the money hadn't left his account.

Mr G then spent some time speaking to a Barclays' adviser by phone about putting a second payment through, this time for the full outstanding amount of £6,000. The payment was rejected for the same reason the first payment had been rejected – that it was listed as a 'gift'. Mr G said he also wasn't told this payment hadn't gone through. Mr G complained to Barclays.

Barclays responded to the complaint. It said the payments were cancelled correctly, as the transfer of a gift could not be accepted to an international business account. However, Barclays agreed the service Mr G received at the time wasn't up to its usual standard and offered him £150 compensation.

Mr G remained unhappy and so brought his complaint to this Service. He said if the receiving bank wouldn't accept the transfer because it was listed as a gift, then Barclays shouldn't have tried to process it a second time, as the reason remained the same. He said if he had known this was the problem, he would have asked a family member who was still abroad to make the payment. But that family member had now returned, and so the opportunity to do this was lost.

Our Investigator thought Barclays should pay Mr G an additional £150 compensation. While he thought that Mr G had placed himself in a risky and limited position in relation to the circumstances of the transfer, he thought that Mr G had been inconvenienced by not being told by Barclays just why it was that the first payment was rejected. So, he thought Barclays could have handled the second attempt at the transfer better.

Neither party agreed with what our Investigator said, so this came to me for a 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.

When this Service contacted Barclays, it told us it accepts that it didn't do enough to ensure the payment form was completed correctly, and I agree this was the case. The transfer form should not have listed the payment as a gift, as Mr G was sending the money to the business in question to pay for goods and services. He was not sending them a gift. Having listened to the call recording when Mr G was arranging the second transfer, I think he provided Barclays with enough information that it should have known not to refer to the transfer as a gift.

Although I don't know what was said during the face-to-face meeting Mr G had in branch with Barclays, I can hear from the call he had with a Barclays' adviser later that he made it clear there was a tight timeframe here. I think it's likely he also said that in branch. So I think it's fair to say Barclays was aware of the timeframe and should have ensured it informed Mr G about neither payment being accepted, but it failed to do this.

Barclays has offered £150 to compensate Mr G for the errors it made. Mr G feels a larger sum is appropriate here, as he says he will need to pay to travel back to the country in question to sort this matter out and pick up the jewellery, as family members are no longer in the country. So the issue I am looking at is whether £150 is a fair amount of compensation, given the particular circumstances of this complaint.

There's no doubt that the payments not going through while Mr G's family were still abroad has caused him a great deal of inconvenience. But I have to take into consideration here that Mr G agreed to buy the jewellery in a country where there are limitations on the amount of cash he can pay for one single transaction. He had also given himself a relatively small window of time, given how long payment transfers to this particular country can take, to be able to arrange the payment so that family members could collect the jewellery before returning to the UK. Mr G chose to buy the goods in these circumstances. So while I have a great deal of sympathy for Mr G and the position he finds himself in, I don't think it would be fair to hold Barclays entirely responsible when Mr G's plans didn't work out.

Having said that, I don't think that £150 is a fair amount of compensation for the distress and inconvenience that Barclays' errors caused Mr G. The failure to complete the form correctly has contributed to the position Mr G currently finds himself in and the failure to notify him of the failed payments resulted in a good deal of stress. I'm in agreement with our Investigator that the amount of compensation should be increased to a total of £300 to compensate Mr and Mrs G for the distress and inconvenience they experienced.

My final decision

It's my final decision that I uphold this complaint and require Barclays Bank UK PLC to pay a total of £300 compensation to Mr and Mrs G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 27 April 2024.

Martina Ryan
Ombudsman