

The complaint

E, a limited company, complains that Barclays Bank UK PLC didn't do enough to recall a payment it sent in error.

What happened

E sent a faster payment of £6,800 on 22 September 2023 intended for its rent. The director realised he had sent this to the wrong account when he was told that the correct person hadn't received it. He doesn't accept that Barclays was unable to recall this, and that E should bear a loss.

Barclays said it hadn't made a mistake. It had made the payment as E had authorised. When it was contacted it told the director that a recall wouldn't be guaranteed. And it said that the account receiving the payment had been closed on 25 September 2023. There was nothing further it could do.

Our investigator didn't recommend that the complaint be upheld. She said that the director had called Barclays on 25 September 2023. He then said he'd been told by the actual recipient of the payment that the account had been closed. And Barclays had provided evidence to this service that the account was closed prior to the call. She said that she wasn't able to give any information about the recipient's account. She didn't consider that Barclays had done anything wrong.

E didn't agree and wanted the complaint to be reviewed. The director said that the payment was made before the account was closed and what had since happened shouldn't affect the recall. E had been a customer of Barclays for over 20 years and shouldn't be affected by such an error. The director said it was especially annoying that he believed the money involved was still held by Barclays. He said that problems with a personal account get sorted out but for some reason when they're related to a business account this is what happens.

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.

E clearly accepts that it made an error in sending this payment and had used the details of a past payee. There is no guarantee that a faster payment can be recalled. But there is industry guidance about such 'misdirected' payments and the steps financial businesses are reasonably expected to take in an attempt to recall the money. And to establish if the recipient will respond to a request for agreement to return the payment.

I'm satisfied that here the recipient's account also held at Barclays was closed between E sending the payment which was credited and E's request for a recall to be made. And that as a result there were no further reasonable steps Barclays could take. E has been in contact with the recipient and so may be in a position to pursue repayment directly. But I'm afraid I don't have a basis to require Barclays to refund the payment or do anything further.

My final decision

My decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 23 May 2024.

Michael Crewe
Ombudsman