

The complaint

Mr M has complained about the delays he experienced trying to transfer money after he'd switched his current account to Barclays Bank UK PLC.

What happened

On 2 November Mr M opened a new account with Barclays, having used the current account switching service. On the same day he successfully moved £800 from an account he held with a different bank into his new Barclays account. Mr M has explained that this was the minimum amount that needed to be transferred into Barclays to ensure the monthly account fee of £5 would be refunded.

Again on 2 November, via its app Mr M then tried to transfer £800 back out of the Barclays account, into his account held with the other bank. However the app generated an error message and he was unable to complete the transfer. The message said that the transfer payment may not have gone through, and suggested checking again in four hours to see if the money had left the account.

Mr M tried to send the payment again on 3 November, and received the same message. He called Barclays and experienced lengthy wait times before speaking to someone who did not know what the error message was. The Barclays representative then tried to make the transfer, but was unable to do so.

Over the next nine days, Mr M says that he spoke to Barclays 15 times, and spent around 15 hours on the phone, speaking to various departments in the bank. He has said that he did not receive promised call backs, and had to chase Barclays regularly. After numerous failed attempts to try to transfer the money by both Mr M and Barclays, it was successfully moved on 10 November.

Mr M complained to Barclays about the problems he had encountered attempting to make his payment. In response Barclays stated that the payment had not gone through because the current account switch process was still in progress. Once the switch had completed, it enabled the payment to be processed. Barclays apologised for the service Mr M had received, and paid him £100 compensation to reflect the inconvenience caused.

Unhappy with Barclays' response, Mr M brought a complaint to this service. He felt that the complaint handler had been dismissive about the problems he had encountered with the transfer, and he said this had been a stressful experience. He said that because he could not transfer the £800, he had needed to be very careful with his spending over nine days, and he had borrowed money from his parents in part to cover a bill. He was concerned that no one at Barclays knew why the transfer could not be processed, and was unhappy that he had spent significant time on the phone trying to resolve the issue. Mr M also said that it was unacceptable that he had been locked out of accessing his funds.

After the complaint was referred to us, Barclays offered a further £100 compensation for the difficulties Mr M had been caused.

Our investigator considered Barclays' offer of £200 compensation in total was fair. He said that during the nine days that Mr M was unable to transfer his funds to his other account, he was still able to visit a Barclays branch or use his bank card at a cash machine to withdraw funds. The investigator also noted that Barclays had told Mr M about these options at the time, but he had not used them. Whilst the investigator accepted that Barclays was at fault for the transfer not being available, he considered these alternative options allowed Mr M to mitigate the impact of Barclays' error.

The investigator agreed that on occasions Mr M had not been called back by Barclays, and he had had to explain the problem he was experiencing to a number of people. But his view was that £200 compensation fairly reflected the difficulties he had been caused.

Mr M disagreed with the investigator's findings, stating that he did not receive the account debit card until after the transfer payment problem had been resolved on 10 November. In terms of visiting a Barclays branch, he said that he works in a remote area and there is not one nearby. Mr M also said that his working hours mean that he's not able to visit a branch during its opening hours.

The investigator sent Mr M a recording of a call Mr M had with Barclays on 9 November in which he acknowledged that he'd received a debit card. Consequently the investigator considered Mr M could have used an ATM to access funds in his Barclays account before 10 November. He also said that whilst he appreciated it might have been inconvenient, his view was that Mr M could have made arrangements to visit a branch if he'd needed to. The investigator said he'd not been provided with evidence showing what balance Mr M had in the account he was attempting to transfer the £800 to at this time, or evidence showing Mr M did not have other accounts. His view remained £200 compensation was fair.

Mr M responded that he'd forgotten he'd received the debit card before the account switch had completed, but he commented that he'd still had eight days where he had no access to his funds held in the Barclays account. He highlighted that the transfer payment of £800 represented over two weeks of his net pay, and he reiterated that he'd had to borrow from his parents during this period. Working in a remote location meant that he was not able to walk to a Barclays branch during his lunch break, and outside his working hours branches are closed. Mr M commented again upon the number of calls he'd made to Barclays, the times promised call backs had not occurred, and the number of different people he'd had to speak to.

Mr M asked that the compensation amount be reconsidered. The file has been passed to me to review.

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.

Barclays has accepted that it was at fault for Mr M not being able to transfer £800 from his account between 2 November and 10 November. Mr M says that this left him with limited funds to cover his daily living costs during this period, and that he had to borrow money from his parents. He has not stated that he was caused any specific financial loss as a result of not being able to make the transfer. But he says he spent a lot of time on the phone speaking to Barclays in an attempt to resolve this issue, and he was unhappy with the service he received.

Mr M has described these events as a very stressful experience. I need to consider whether the compensation offered of £200 fairly reflects the difficulties that Mr M was caused by Barclays.

During the period that the transfer payment was not able to be processed, as part of the account being set up, Mr M received a debit card. I have listened to recordings of the calls between Mr M and Barclays, including one that occurred on 9 November. In that call, the Barclays representative confirmed that she'd said to Mr M the day before that he could use his bank card to withdraw cash from his account. When Mr M said that he had not yet received the PIN number, the representative explained that this could be obtained from the Barclays banking app. However, Mr M responded that he did not want to withdraw cash and pay it into his other account as a means to transfer the funds.

I accept that Mr M did not have the debit card from the date that the transfer problems started on 2 November. I can also appreciate why withdrawing cash from Barclays from an ATM and paying it into his other account may not have been Mr M's preferred solution for moving his funds. But in my view, this would have been a reasonable way to transfer money between accounts during this temporary period when the banking app transfer would not work.

During this period Barclays also suggested that Mr M could visit a branch to withdraw funds. Mr M has explained the difficulties he would have had doing this, due to his working hours and location. I acknowledge what he has said in this regard, but on balance my view is that either withdrawing cash at an ATM or visiting a branch did represent appropriate suggestions by Barclays as means to transfer funds to Mr M's other account, in the event that this had to be done as a matter of urgency.

During the call on 9 November, although the Barclays representative did not have an update from the bank's IT department about the transfer problem, she did highlight that the next day the account switch would be completed. She said that consequently the problem might clear the next day. In the event, that is what happened. And on balance it seems to me that as the date of the switch completing on 10 November came closer, Barclays was able to reassure Mr M that the transfer problem would be fixed soon. In my view this indicated to Mr M that the problem was a temporary one, so any alternative arrangements he was making to overcome it would not need to last long.

I say that not to downplay the worry that Mr M experienced when he couldn't complete the payment transfer. But overall I would agree with the investigator that there were alternative ways in which Mr M could move his funds to his other account over the nine days that he encountered these problems.

It is clear that the service Mr M received from Barclays at this time was poor. Barclays was unsure what the exact reason was for the transfer not working, and Mr M has detailed the number of times he called in an effort to get his funds moved. Mr M spoke to a number of different staff, and there were times when he did not receive promised call backs. As Mr M has pointed out, he spent a significant amount of time trying to resolve this matter through Barclays.

My view is that the service Mr M received caused him unnecessary distress and inconvenience. In making an award in this case, I am mindful of compensation amounts that have been determined for complaints with similar circumstances. In addition Mr M has mentioned the Consumer Duty, and I agree that it sets a higher expectation for the standard of care that firms give customers.

But having looked at all of the circumstances here, Barclays agrees that the level of service

it provided to Mr M has fallen short. It has offered £200 compensation in recognition of that, and I'm persuaded this is a fair way to recognise the impact that's been caused to Mr M. I appreciate that Mr M is likely to be disappointed with this outcome. However, I consider it fairly reflects the events that occurred, based on the evidence provided.

My final decision

My final decision is that I uphold this complaint in part, and consider total compensation of £200 for distress and inconvenience caused to Mr M is fair in all the circumstances.

I understand that Barclays Bank UK PLC paid Mr M £100 compensation when it responded to his complaint in November 2023. Assuming it has paid no further compensation, I now require Barclays Bank UK PLC to pay Mr M an additional £100 compensation.

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

John Swain
Ombudsman