

The complaint

Mrs J, Mr J and Miss J complain about the service they received from Barclays Bank UK PLC ("Barclays") in relation to the overdraft on a joint account.

The complaint is brought by Mrs J, Mr J and Miss J. But, for ease of reading, I'll refer mostly to Mrs J throughout this decision, as the submissions have been made mainly by her.

What happened

Mr J and Mrs J held a joint account with Barclays which had an agreed overdraft limit of £2,000. In June, Barclays wrote to Mrs J and said this limit was higher than it might offer if she applied for an overdraft now. It said it was going to reduce the limit to £300 in August. But it said it would be happy to review this again if Mrs J still needed her existing limit.

Mrs J called Barclays and discussed her finances with an advisor. The advisor said they could reduce the limit to a level between £2,000 and £300, which would override the letter. Mrs J reluctantly suggested a new limit of £1,500 which was agreed.

Mrs J then said that she wanted to add Miss J to the account. The advisor said this would have to be done in the branch and that Mrs J, Mr J and Miss J would all need to attend. Mrs J explained that this would be very inconvenient and difficult because of her family circumstances. But she subsequently made an appointment for them all to attend a local branch. When they arrived, the appointment wasn't with person Mrs J was expecting to see. She had to explain the situation all over again and says the service in the branch was poor.

Miss J was added to the account. But the overdraft facility was removed altogether to allow this to happen. After leaving the branch, Mrs J felt that it was all too much hassle, and she didn't want to lose the overdraft facility completely. She decided to remove Miss J from the account. She says she called Barclays and was told she would have to go into the branch again. She then wrote to Barclays asking it to remove Miss J from the account. Barclays said it needs authority from all three parties to do this. To date, Miss J remains on the account.

Mrs J raised a complaint about these issues. Barclays said it had dealt with the overdraft correctly. It also said that removing Miss J from the account wouldn't guarantee that the overdraft would be agreed again. A new application would have to be made and would be subject to the usual checks. But Barclays accepted that the service Mrs J received could have been better. It paid her £50 as an apology for the upset caused.

Mrs J wasn't happy with Barclays' response and brought the complaint to this service. She didn't think Barclays had treated her fairly. She wanted it to reinstate the overdraft of £1,500. Our Investigator didn't think Barclays had acted unfairly and didn't ask it to do anything else. But Mrs J didn't agree and asked for the complaint to be reviewed by an Ombudsman.

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.

Having done so, I'm not going to ask Barclays to do anything else. I know Mrs J feels strongly about her complaint and I'm sorry to disappoint her. But, having carefully considered all the information and listened to some of the calls Mrs J made to Barclays between June and August, I don't think Barclays acted unfairly here. I'll explain why.

There are two aspects to Mrs J's complaint: (1) the reduction of her overdraft limit (which was instigated by Barclays) and (2) the addition of Miss J to the account and removal of the overdraft.

I think Barclays acted fairly in relation to the first issue. The terms and conditions of Mrs J's account allow Barclays to change her overdraft limit. I think its decision to do so was reasonable here. And I think it dealt with the situation fairly, particularly as a new limit was agreed with Mrs J. So I'm not going to ask Barclays to do anything about this issue.

I'll now consider the second aspect of the complaint. Adding Miss J to the account meant the overdraft facility was removed altogether. But this was entirely separate from Barclays' decision to reduce the overdraft limit. The removal of the overdraft facility wasn't instigated by Barclays; it was a consequence of Mrs J's request to add Miss J to the account. I'll look at this in more detail.

Mrs J asked Barclays to add Miss J to the account as a joint party. Barclays says it told Mrs J that the overdraft would have to be removed for this to happen. Mrs J also says she was told this in the branch. So, I'm satisfied that she knew she would lose the overdraft facility if Miss J was added to the account. I think Mrs J had the chance to change her mind or put off the decision until she had more time to think about it. I realise it had been very difficult for everyone to go to the branch and the reason they had gone there was to add Miss J to the account. But, if it was very important to Mrs J to keep the overdraft facility, I think it's fair to say she didn't have to go ahead with adding Miss J to the account that day, despite the inconvenience of having gone to the branch. I realise that Mrs J is unhappy about this and very quickly afterwards decided that she wanted the account to go back to the way it had been. But I don't think that's Barclays' fault.

An overdraft is a form of borrowing, which all account holders are liable to repay. Mrs J's overdraft had been agreed when the account was held by her and Mr J only. If Barclays hadn't removed the overdraft, it would have been extending the borrowing facility to Miss J without carrying out further checks. That's not something I'd expect it to do. It was reasonable for Barclays to remove the overdraft when Miss J was added to the account.

Barclays says that, if Miss J is now removed from the account, the previous overdraft can't simply be reinstated. Mrs J would need to apply again. It says any new overdraft (with or without Miss J on the account) will be subject to application and the usual checks, with no guaranteed outcome. It has told Mrs J that if an application is declined it could impact the credit file of each account holder. I understand this is very frustrating for Mrs J. But I don't think it's unreasonable. It's for Barclays to set its own lending criteria and put procedures in place for making lending decisions. The removal of the overdraft was the result of a decision by Mrs J. I think it's reasonable for Barclays to follow its usual lending process in agreeing any new overdraft here.

Mrs J says she wasn't advised that giving Miss J power of attorney would have given her access to the account without the overdraft needing to be removed. Being a joint account holder isn't the same as being attorney for someone else and doesn't necessarily achieve the same results. I can't say whether using a power of attorney would have been appropriate here - that's something Mrs J would need to take independent legal advice about. The

complaint handler mentioned power of attorney in a call with Mrs J after she'd raised the complaint. I haven't seen anything to suggest it was raised by Barclays before that. But, from the evidence I've seen and in the particular circumstances here, I don't think that was unreasonable.

I'll now consider the more general service issues which Mrs J experienced. I understand how difficult it was for her to attend the branch. In one of the calls I've listened to, the agent was very sympathetic and tried to find an alternative solution. I think he provided a good service, but ultimately Barclays' policy is that if a customer wants to add someone to their account, they'll need to visit a branch with them. I don't think that's unreasonable, although it was inconvenient here.

The advisor in the branch wasn't the person Mrs J had been told she would see. Barclays says that any of its advisors can deal with appointments in the branch as they all have the skills to do so. But that wasn't made clear to Mrs J beforehand, and she was told the appointment would be with a particular person. I think it's understandable that this added to her stress on the day of the appointment.

Mrs J was unhappy that it wasn't straightforward to remove Miss J from the account. Barclays says it needs permission from all the parties to do this. It wrote to them to request information. I understand that Mrs J may feel it's best for Miss J to remain on the account now and that is something she can decide. But I think it's reasonable for Barclays to request input from all parties if someone is going to be removed from the account.

Mrs J is very unhappy with the service overall and Barclays accepts that it could have been better here. It said it would pay Mrs J £50 as an apology. I'm satisfied this was paid into her account in August 2023 as it's shown on her statement. I think this is a fair amount to reflect the service issues here.

Having considered everything carefully, I'm not going to ask Barclays to do anything else. I know the situation has been stressful for Mrs J and she remains unhappy about it. But I don't think Barclays made a mistake or acted unfairly in relation to the overdraft or the addition of Miss J to the account. So, I can't fairly ask it to do anything more.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J, Miss J and Mrs J to accept or reject my decision before 14 June 2024.

Katy Kidd
Ombudsman