

The complaint

Mr A complains that Barclays Bank UK PLC failed to pay an incentive after he switched his current account from another bank.

What happened

Mr A's explained that he applied for a new bank account with Barclays in order to receive a switching incentive of £175. The CASS New to Bank Switch Offer £175 terms and conditions explain that Mr A needed to successfully open a new bank account with Barclays during the month of November 2023. Mr A's new account was opened on 10 November 2023.

The incentive terms and conditions also said Mr A needed to join its Blue Rewards service. Mr A also opened a Blue Rewards account with Barclays on 10 November 2023. There was nothing in the associated terms that said the Blue Rewards account had to remain open for a minimum period for account holders to be eligible for the incentive.

Mr A took the decision to close the Blue Rewards account on 6 December 2023.

On 20 December 2023 Mr A spoke with Barclays and asked why the £175 switching incentive hadn't been paid. Barclays says Mr A closed his Blue Rewards account before it had the chance to check whether he met the criteria for the incentive payment so it wasn't made.

Mr A went on to raise a complaint with Barclays and explained its incentive's terms and conditions made no mention of the minimum period he was required to keep the Blue Rewards account open for. Barclays issued a final response on 11 January 2024 but said it had correctly declined the incentive payment in the first instance due to the closure of Mr A's Blue Rewards account. Barclays explained that situation wasn't covered in its incentive's terms and conditions. Barclays paid Mr A £175 as a gesture of goodwill but didn't agree a mistake had been made. Barclays declined Mr A's request for a further £25 compensation for the distress and inconvenience caused.

An investigator at this service upheld Mr A's complaint. They pointed out the terms and conditions didn't require Mr A to retain the Blue Rewards account for a minimum period and felt he'd met the terms of the incentive as set out. The investigator asked Barclays to pay Mr A an additional £25 in respect of the distress and inconvenience caused. Barclays asked to appeal and repeated its view that Mr A was not eligible for the incentive payment and that the original £175 compensation it paid had been made as a gesture of goodwill. As Barclays asked to appeal, Mr A's case has been passed to me to make 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.

I've been brief in setting out the background above as all parties broadly agree over the timeline for Mr A's case. In short, Mr A's view is that Barclays' incentive's terms and

conditions made no mention of retaining the Blue Rewards account for a minimum period. Barclays says its terms can't and don't cover every eventuality, but by closing his Blue Rewards account Mr A became ineligible for the incentive.

I understand Barclays' claim that its terms and conditions can't cover every eventuality. But I need to consider what Mr A would've done if Barclays terms and conditions had been clearer and it had made him aware of a minimum term for retaining his Blue Rewards account to receive the incentive. On balance, I'm satisfied that if Barclays had made that point clear, Mr A would most likely have retained his Blue Rewards account until the incentive was paid.

Ultimately, it's for Barclays to design its terms and conditions to be as clear as possible and decide what information to include. But I'm not persuaded it's fair for Barclays to rely on criteria it failed to give Mr A during the application process or before he took the step of closing his Blue Rewards account. I'm satisfied Mr A's interpretation of the terms and conditions was reasonable. And I'm satisfied there's no reasonable way Mr A could've known Barclays had a minimum qualifying period to check whether he met the terms of the switching incentive.

In addition, Mr A's new Barclays current account and Blue Rewards account had both been open since 10 November 2023. Mr A didn't close his Blue Rewards account until 6 December 2023, almost a month later. I'm satisfied Barclays had sufficient time to check whether Mr A met the terms of its switching incentive before the Blue Rewards account was closed.

I'm satisfied the issues raised have caused Mr A an unreasonable level of distress and inconvenience. Mr A's explained he feels lied to by Barclays. And I can see Mr A's had to contact Barclays on a number of occasions to address this issue and remains very much dissatisfied with his experience. I agree that a modest payment of £25 to reflect the level of distress and inconvenience caused is a fair way to resolve Mr A's case. So I'm going to proceed on that basis and, in addition to having paid the incentive of £175, I'm going to tell Barclays to pay Mr A £25 for the trouble and upset he experienced.

My final decision

My decision is that I uphold Mr A's complaint and direct Barclays Bank UK PLC to settle by paying Mr A a further £25. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 July 2024.

Marco Manente
Ombudsman