

The complaint

Mrs B complains that Barclays Bank UK PLC closed her current account in error, causing her difficulties in reinstating her direct debits and standing orders.

What happened

The late Mr B sadly died at the end of October 2023. On 1 November Mrs B visited the branch of Barclays to close down the joint account that she had had with Mr B. She requested that Barclays send any direct debits and standing orders across to her sole current account. Barclays sent the direct debits/standing orders across, but then closed Mrs B's personal account in error. This meant that the direct debits/standing orders were cancelled. Mrs B discovered the error the next day and advised Barclays who set about reinstating the account. However by 17 November Mrs B had further issues with setting up direct debits and standing orders on the account. This necessitated another branch visit.

The matter was finally resolved after that. Barclays changed the joint account into a sole account and closed down Mrs B's old sole account in January 2024. It responded to Mrs B's initial complaint in November 2023 with a payment of £150 compensation. It made a further payment of £200 with its final response in December 2023.

On referral to the Financial Ombudsman Service initially our Investigator said that the payment of £350 was reasonable compensation. However Mrs B pointed out that this caused a lot of distress to her when she was grieving and trying to arrange a funeral. She had received a number of letters and communications from insurers and service providers following cancellation of their direct debits. And this caused her further anxiety. She had to go to branches of Barclays on four occasions to try and resolve the matter.

Taking account of the impact on Mrs B, our Investigator thought that Barclays should pay a further £250 compensation.

Barclays disagreed, it said that the compensation paid was reasonable and in line with other awards made by this service.

The matter has been passed to me for an Ombudsman's consideration.

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 Mrs B visited the branch of Barclays in early November 2023, she made fairly straightforward requests. That is that she wanted the account she held with her late husband to be closed down and any standing orders or direct debits to be passed over to her sole account. Regrettably, due to an error by Barclays, the sole account was closed down after the standing orders and direct debits had been transferred to it. As Mrs B has told us this had a distressing impact on her when she was grieving. The closing down of the account and the subsequent problems over the direct debits and standing orders being reinstated

caused her to receive letters regarding her council tax, home insurance, boiler warranty, life insurance, TV warranty and water rates. I understand that she also received emails and text messages. These all advised that the payments had been cancelled with the implied threat that if they were not reinstated, the policies might be cancelled and/or action taken against Mrs B.

I further understand that when her sole account was closed down, Mrs B didn't have a debit card for the joint account so couldn't make card payments from that account. I understand that Barclays did issue a new card and PIN for that account, but in the meantime Mrs B couldn't re-register on the mobile app without a card.

Mrs B tells us that she had to go into branch on four separate occasions to try and resolve the issues. She tells us also that this was all going on while she was trying to plan for the funeral. And it also caused a delay in her getting access to her late husband's life insurance pay out.

I fully understand that Barclays was amenable to resolving these issues for Mrs B and that following the initial error its members of staff were helpful. And I believe that the issues did resolve within about four weeks.

As I don't think there was much dispute about what happened, as Barclays will know, I have to consider the impact on Mrs B when considering the compensation proposed. Each case must be looked at on its own merits as two individuals may be affected by an error very differently. I believe that Mrs B was told to visit the branch because she was unhappy about giving security details over the telephone. But I can't say that she was at fault if she felt more comfortable dealing with things that way.

Barclays has made a payment of £350 to Mrs B. We say that an award of over £300 and up to around £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. In Mrs B's case this was all happening at a time when she wanted to concentrate on making the funeral arrangements but she had to use a lot of her time trying to sort out her finances. And whilst none of the companies to whom direct debits were payable were likely to cancel policies or take action against Mrs B in the time it took to sort out the payments, nevertheless Mrs B tells us that it caused great distress to her whilst she was grieving.

The range of compensation payments which we say will be appropriate in a case such as this is quite wide, but I am inclined to think that Mrs B suffered considerable distress, upset and worry over a short period. And I think that the award of compensation proposed by our Investigator is certainly within the range of the sort of award I would think it appropriate to make in this sort of case. I will therefore make the award our Investigator proposed - a further £250.

Putting things right

Barclays must pay Mrs B a further £250 compensation. This is in addition to the £350 already paid.

My final decision

I uphold the complaint and require Barclays Bank UK PLC to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or

reject my decision before 22 July 2024.

Ray Lawley
Ombudsman