

The complaint

Mr M is unhappy that Barclays Bank UK PLC blocked a payment that he wanted to make.

What happened

Y Mr M wanted to make a £1,000 payment to a building company for work being undertaken on his house. The payment was flagged by Barclays automated fraud prevention systems and a member of Barclays fraud team called with Mr M and confirmed with him that the payment was legitimate and removed the restrictions from Mr M's account. Mr M then successfully made the £1,000 payment to the building company.

The next day, Mr M tried to make a second payment to the same building company, this time for £1,400. This payment was also flagged by Barclays automated fraud prevention systems. And when Mr M called Barclays about the second payment, he was unhappy that he was asked to complete the same lengthy verification process that he'd completed with Barclays the day before. Because of this, Mr M told the Barclays agent with whom he was speaking that he wanted the payment to be cancelled and that he would go to a Barclays branch and withdraw the £1,400 he needed to pay his builders in cash.

However, when Mr M arrived at Barclays branch, he found that Barclays had fully restricted his accounts, meaning that he again had to call Barclays and speak with them to be able to access the £1,400 from his account that he needed. Mr M wasn't happy about the service he'd received from Barclays surrounding his attempted payment, so he raised a complaint.

Barclays responded to Mr M but didn't feel they'd done anything wrong in how they'd administered his accounts. Mr M wasn't satisfied with Barclays response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Barclays had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr M remained dissatisfied, so the matter was escalated to an ombudsman for a final 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 issued a provisional decision on this complaint on 3 September 2024 as follows:

I've listened to recordings of the telephone calls between Mr M and Barclays on the days in question. And, having listened to these calls, I don't feel that Barclays have provided a fair standard of service to Mr M, and so I'll be provisionally upholding his complaint on that basis.

I don't feel that it was unreasonable for Barclays to have blocked the first payment for £1,000, and I feel the Barclays agent who first spoke with Mr M and who confirmed with him that that payment was legitimate handled matters professionally and courteously. But I do feel that that agent missed an opportunity to understand whether any further payments

would be made by Mr M to the builder, which if done I feel could and reasonably should have mitigated against the frustration that Mr M later experienced.

Additionally, when Mr M's second attempted payment was blocked by Barclays fraud prevention systems, so that Mr M had to speak with a second Barclays fraud team member, I feel that it shouldn't reasonably have been the case that Mr M was expected to complete the same process that he'd already completed for the first payment a short time before.

From listening to the phone call between Mr M and the second Barclays agent, I'm satisfied that Mr M made it clear to Barclays agent that he was making a second payment to his builder. And I feel that Barclays agent missed an opportunity to resolve the situation more quickly and amicably by explaining to Mr M that he could authorise the payment on the basis of the information that Mr M had previously provided to Barclays on the call wherein he verified the first blocked payment.

Furthermore, Barclays call notes confirm that the second agent that Mr M spoke with placed a full block on Mr M's accounts at the end of the call. And I note that the reason that Barclays have given for this is that Mr M didn't complete the call with Barclays agent.

But as explained, Mr M had made it clear to Barclays agent during the call that he was wanting to make a second legitimate payment to his builder, and that he would go to a Barclays branch at the end of the call and withdraw the money he needed as cash from his account to do so. And I can see no fair or valid reason why Barclays agent would have fully restricted Mr M's accounts as they did, given that they would have known that this would have hindered Mr M in withdrawing his money as he wanted to.

Accordingly, for the reasons described above, I feel that Barclays did provide a poor standard of service to Mr M which did cause him to experience a degree of frustration and inconvenience that was both unnecessary and avoidable. And because of this, my provisional decision here is that I uphold this complaint in Mr M's favour and instruct Barclays to pay £150 compensation to him.

In arriving at this £150 compensation amount I've considered the impact of what happened on Mr M, including the upset and anger that Mr M clearly experienced, as evidenced by the telephone calls that I've listened to.

But I've also had to consider that Mr M could have completed the process to verify the second blocked payment with the second agent, despite his frustration at having to do so, which would have mitigated against his needing to go to branch and the further distress he experienced while there. And I've also considered the general framework this service uses when assessing compensation amounts, details of which are on this service's website.

Finally, Mr M feels that Barclays deliberately angered and frustrated him based on his age and race. But I've seen nothing to suggest that this was the case. Rather, I feel that Barclays simply missed several opportunities to manage the situation surrounding Mr M's attempted payments as they reasonably should have, and treated Mr M unfairly as a result.

Barclays responded to my provisional decision and confirmed that they were not in acceptance of it. Barclays explained that building works scams are common and that they feel that their agents acted correctly, including by fully restricting Mr M's accounts.

I accept and acknowledge that Barclays have a duty of care towards their account holders which includes protecting them from potential scams. But it remains the case that Mr M had

explained to Barclays when the first payment was blocked that he was paying for building works, and Mr M's explanation in this regard was accepted by Barclays agent and the payment was released.

Because of this, it remains my position that Barclays could and reasonably should have taken account of the explanation that Mr M had given them about the first payment when speaking with him about the second payment. Instead, Barclays agents insisted on following essentially the exact same process that Mr M had already completed the day before.

This doesn't seem reasonable to me, especially given that Mr M was making the second payment to the exact same payee as the first payment, which had already been verified. And I feel that Mr M's frustration at Barclays inability to recognise that he'd already completed the process he was being asked to complete again was merited.

Ultimately, it remains my position that Mr M did incur a degree of upset and inconvenience that he fairly shouldn't have had to incur here, had Barclays handled matters in a more reasonable and customer focussed manner. And I don't accept that Barclays ability to meet their obligations to protect Mr M's money would have been undermined or diminished in any way because they took the time to recognise that he had already explained the payment he was trying to make the day before.

Mr M also responded to my provisional decision and confirmed that he was in acceptance of it, although he did reiterate his belief that his age and race had been a factor in how Barclays had treated him. I can appreciate Mr M's strength of feeling in this regard. But considering this matter again, I continue to feel that this wasn't likely the case, for the reason I explained in my provisional decision.

All of which means that I see no reason not to uphold this complaint in Mr M's favour on the basis described in my provisional decision. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

Barclays must pay £150 to Mr M.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 October 2024.

Paul Cooper
Ombudsman