

The complaint

Mr E complains that Barclays Bank UK PLC, trading as Barclaycard (Barclaycard), misinterpreted his instructions and stopped a direct debit that needed paying.

What happened

I issued a provisional decision on this complaint last month. An extract from that provisional decision is set out below.

Mr E was paying for two direct debits to the same merchant: one for £14 per month and another for £21. When the merchant went into administration, he called Barclaycard and says he asked them to stop paying the £14 direct debit and to refund payments he'd made over a period where the service had been unavailable to him.

While Barclaycard stopped making the £14 payment, they also stopped the £21 payment. Mr E says that resulted in him having an invalid car warranty plan.

Barclaycard didn't think they'd done anything wrong. They explained that by cancelling one monthly recurring transaction all recurring monthly transactions would be stopped.

Our investigator agreed with Barclaycard, but Mr E was still unhappy. He said he'd explained to Barclaycard that it was just the one transaction that needed stopping and that they had reassured him they would put things right but hadn't. He asked for a decision to be made by an ombudsman.

What I've provisionally 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 think Barclaycard made a mistake here, but I also feel Mr E could have mitigated the damage caused. I'm expecting to ask Barclaycard to pay some compensation. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

When Mr E called Barclaycard on 24 June 2024 the agent explained that they would do their best to stop any further charges to the merchant. Mr E didn't challenge that, or clarify that only one charge was in dispute. In July 2024 when Mr E called again, he was trying to get a refund of the £14 payments he'd previously made. While it was clear that Mr E's call was in relation to those £14 payments, there was no conversation about the £21 payments. So, I

don't think the position that Barclaycard had set out to Mr E in their letter of 19 June 2024 that "We'll do our best to stop any further charges that (the merchant) tries to put through your account from now on" had changed. Nor can I see anything in Barclaycard's system notes to suggest that there was an instruction to the contrary.

It wasn't until the 17 July 2024 that I think I can fairly say Barclaycard were aware the £21 payment didn't need to be cancelled. During that call Mr E explained he had been making two different payments to the merchant and that the £21 payment was being redirected to a third-party service provider. The agent confirmed that they understood the £21 payment shouldn't be stopped and that they would refer that to the "back office team". The agent asked Mr E to keep an eye on the app and that by "next week you will see a recharge of £21".

On the 23 July 2024 there's a record of a further call from Mr E. The agent referred him to a letter that they'd sent him a few days earlier and as Mr E hadn't received that letter, the agent read it out. It became apparent that instead of leaving the £21 direct debit payment in place they had challenged it with the merchant and refunded a payment to Mr E's account. At that point Mr E raised his complaint.

Barclaycard shouldn't have reversed the £21 payment as Mr E hadn't requested that. They should compensate him for the distress and inconvenience caused by that error. Indeed, the call record suggests that they tried to. The agent offered £50 but Mr E declined the offer as he wanted his complaint resolved. I think £50 was a reasonable offer as at that point it seems only one payment had been reversed and even if Barclaycard couldn't leave one recurring payment in place while cancelling another, Mr E could have made alternative arrangements to ensure the merchant received regular payment.

It wouldn't be fair, in those circumstances, to suggest Barclaycard's actions led to Mr E's car warranty plan being invalidated. But I think they should pay him £50 to compensate him for the error made.

My provisional decision

For the reasons I've given above, I am expecting to uphold this complaint in part and tell Barclays Bank UK PLC to pay Mr E £50 to compensate him for the distress and inconvenience caused.

The parties' responses to my provisional decision

Barclays didn't have anything to add, but Mr E did. He explained:

"Whilst the ombudsman has summarised very well the sequence of events, there are 2 Exceptions

- 1. In the initial call I was very specific about the £14 transaction only and specific about not impacting the £21. The ombudsman has missed this or chosen to omit from the summary*
- 2. In articulating the fact that Barclays offered £50 compensation the summary reads as if I was hoping for more (ie being greedy) and declined it. The reality is that (as was made clear on the call) that I was not aiming for any monetary compensation and just wanted it sorted. Given what I have said previously and the history of this complaint, I have my suspicions that the ombudsman outcome was influenced by your own investigation and outcome, which I have previously made clear that I thought was lacking and less than thorough."*

Mr E clarified that he was referring to the online chat he had had with Barclays on 30 May 2024, and he provided an extract from that chat, as follows:

Mr E: *“Yes. They take £14 on 14th of each month, the last one was 14 Feb, there is also a £21 debit [...] on the same day each month but I am guessing that service is continuing [...]”*

Barclays: *“I can see the transaction [...] for 14gbp, be rest assured, there are various ways via which the dispute can be raised. You can raise a dispute using this link [...]”*

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.

While Mr E was guessing the £21 service would be continuing, I don’t think at that point it had been clarified that it wouldn’t be a transaction he was challenging, and I’m persuaded by the subsequent call transcript in June 2024 (that I’ve referred to above) that it hadn’t been raised and wasn’t properly addressed until July 2024. In those circumstances, I’m not persuaded to change my provisional decision.

I apologise if my provisional decision led Mr E to think I was suggesting he had been greedy. On the contrary, I can understand that he wanted to challenge the decision Barclays had made. I don’t accept that I was influenced by the investigator’s opinion; indeed, that’s why my opinion differed.

Having considered the additional submissions made by Mr E I have not found cause to change my provisional decision and that now becomes my final decision on this complaint.

My final decision

For the reasons I’ve given above, I uphold this complaint in part and tell Barclays Bank UK PLC to pay Mr E £50 to compensate him for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr E to accept or reject my decision before 2 January 2025.

Phillip McMahon
Ombudsman