

The complaint

Mr L complains that Barclays Bank UK PLC didn't honour a transaction for a grocery delivery which was processed in the small hours of the morning. Mr L said he'd already authorised the transaction, and described the impact this failed transaction had on him.

What happened

Mr L told us that he'd placed an online order with a supermarket on the morning of Friday 4 October, and paid for this using his Barclays account. He said he was asked by Barclays to clear security to approve the payment, and did so, using a six-digit number. He then got a message from the supermarket saying that the delivery was confirmed for the next day. Mr L said he often shops with this supermarket both in the store and online, and this wasn't an unusual amount for him to spend.

Mr L said just before 3 o'clock on the morning of Saturday 5 October, he got a text message from Barclays, telling him a payment to the same supermarket had been declined. He said this woke him up, so he got up and finding his delivery was cancelled, reordered his groceries. Mr L said he didn't sleep after this, and having to take a different delivery slot meant he missed an important social engagement the next day.

Mr L complained to Barclays, but it would only offer him £75, which he didn't think was enough to make up for what had happened. Mr L said Barclays' fraud system had asked him to reply "yes" if he had authorised the transaction, but he said that was useless for fraud prevention purposes. If someone had his phone, they would just send that reply. Mr L thought Barclays should pay him the value of the shopping he'd bought, and he said the only way to make Barclays change its systems is to hurt it financially.

Barclays didn't think it had done anything wrong. It said it has an obligation to ensure accounts are protected and it uses a fraud detection system to judge if transactions seem suspicious. It said its account terms explain that its fraud detection system means transactions won't always go through.

Barclays said the supermarket didn't take payment at lunchtime on Friday, when Mr L first authorised a transaction. It only carried out a payment check then. Barclays said it had no control over when the transaction was put through by the supermarket, and when that happened, it had contacted Mr L. Barclays said it was likely this was picked up because of the time it was processed, and said this was out of character for Mr L's account.

Barclays said it had offered Mr L £75 for the inconvenience, but he'd turned that offer down. Barclays didn't think it had to pay any more than this.

Our investigator didn't think this complaint should be upheld. He said Barclays picked up the transaction for extra checks after it was flagged by the bank's fraud system. And Barclays has shown us that the supermarket only requested a charge from the account at around 3 o'clock in the morning. So that is when the payment was picked up by the bank's security systems, and not when Mr L completed the checkout process the day before.

Our investigator said Barclays has an obligation to ensure the security of accounts. The terms for this account state that payment instructions may not be completed if the bank thinks the instruction didn't come from the account holder. As Barclays wasn't able to be certain with this transaction, it declined the payment. Our investigator thought this was reasonable.

Our investigator thought Barclays' offer of £75 was fair in all the circumstances of this case. And he said that we can't ask Barclays to change its security systems.

Mr L wrote to object. He said Barclays had upheld his complaint, but we weren't upholding, and we hadn't explained why we'd reached a different conclusion. Mr L also said we'd referred to him having experienced significant impact, but then not awarded him the compensation that our website said a significant impact ought to warrant.

Mr L also said he hadn't assumed his transaction was authorised, Barclays had confirmed this, after he carried out the required security process. And he thought it was pointless for Barclays to text his phone to ask if he'd carried out the blocked transaction.

Mr L queried why Barclays' security system would pick up on this transaction. He said he regularly shops at this supermarket, both in store and online.

Mr L didn't think he'd been paid enough compensation, and he described how this had impacted his weekend. He wanted his complaint to be considered by an ombudsman.

Our investigator didn't change his mind. He said our service takes account of what Barclays has already done, and it was because he wasn't asking Barclays to do more, that the complaint wasn't upheld. And he said he'd used the word "significant" because that was how he had understood Mr L was describing the impact on himself. Our investigator said he understood this caused inconvenience, but he said the terms of Mr L's account do allow Barclays to not complete transactions in certain circumstances. So it had only acted within the applicable terms of Mr L's account here. And he couldn't fairly say it had made a mistake.

This case was then passed to me 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've reached the same overall conclusion on this complaint as our investigator.

I have considered fully the repercussions of this failed payment which Mr L described for us, and I understand why he says this was so inconvenient for him. But at its heart, this case is about Barclays blocking a payment for security reasons. So I think there are two important considerations here.

One is that Barclays is entitled to do this, under the terms of Mr L's account. And the other is that, although Mr L says that a transaction like this isn't out of character for his account, Barclays says that a payment at this sort of time is unusual for him. So I can't say that it was unfair or unreasonable for Barclays to query this payment.

I appreciate that this had a number of further impacts on Mr L, and I understand why he's so unhappy. But I think that's unfortunate, rather than a result of a mistake on Barclays' part. So

I still think that a payment of £75 does provide a fair and reasonable outcome for what's happened here.

As our investigator noted, when our service looks at a complaint, we aren't doing quite the same job as a bank. When the bank looked at Mr L's complaint, it thought about what it could do to put things right, and hopefully to re-establish good relations with Mr L. When our service looks at a case, we're checking if the bank has already done enough to put things right. And here, I do think the offer Barclays has made, does that. However, I understand that Mr L hasn't yet received the money Barclays has offered, so I will make that award now.

Mr L also queried the point of text messages asking him if he'd intended to make the failed transaction. I think it's reasonable for Barclays to have sought that feedback here. And I don't otherwise think it's for our service to tell Barclays how to manage its fraud monitoring, in this case.

Mr L also said that Barclays wouldn't improve unless our service financially penalised it. But again, that's not our role. I can only look at the individual circumstances of Mr L's complaint, and make a decision about an appropriate resolution based on what's happened there. I cannot make an award here to motivate Barclays to change in future.

I know that Mr L will be very disappointed, but I don't think Barclays has to pay more than it has already offered in this case. I'll ask it to make the payment of £75 that it previously offered now, unless it has already done so.

My final decision

My final decision is that Barclays Bank UK PLC should now pay Mr L the sum of £75 that it previously offered in this case, unless it has already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 10 February 2025.

Esther Absalom-Gough

Ombudsman