

The complaint

Miss G is unhappy with how Barclays Bank UK PLC handled her current account switch after her salary wasn't paid in as expected.

What happened

In August 2024 Miss G applied for a current account switch from her provider at the time, to Barclays. The switch was completed on 28 August 2024. On 30 August 2024 Miss G noticed her salary payment wasn't in her account so she contacted Barclays to find out why. Barclays said they didn't have the payment and advised they could see the money had been paid to Miss G's old bank. They said Miss G would need contact her old bank to chase it up.

Miss G made multiple calls to Barclays and her old bank over the following days trying to locate her money. Eventually it was discovered the payment had been returned to her employer by her old bank.

Unhappy with how Barclays handled the matter Miss G made a complaint. Barclays accepted they had provided incorrect information and hadn't been clear enough about the switching process. But they said they weren't responsible for the issues encountered in the switching process itself such as the delays in Miss G's salary reaching her account. They said that was the sending banks responsibility. They offered Miss G £200 in recognition of the poor service provided.

Miss G referred her concerns to this service. Our investigator felt Barclays should have done more to assist her in locating the funds as this is what was outlined within the switch guarantee. She asked Barclays to pay Miss G £300 in total for the distress and inconvenience caused. As Barclays disagreed it has been passed to me to decide.

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.

The current account switch guarantee says:

"We have designed the Current Account Switch Service to let you switch your current account from one bank or building society to another in a simple, reliable and stress-free way. ...As your new current- account provider we offer the following guarantee

- *We will take care of all your payments going out (for example, your Direct Debits and standing orders) and those coming in (for example, your salary).*
- *We will arrange for payments accidentally made to your old account to be automatically redirected to your new account. We will also contact the sender and give them your new account details.*

- *If anything goes wrong with the switch, as soon as we are told, we will refund any interest (paid or lost) and charges made on either your old or new current accounts as a result of this failure.”*

Taking account of this, Miss G felt that once she had applied for the switch everything would be taken care of and any issues would be dealt with by Barclays as the new provider. But instead, she had to make several calls to Barclays, her old bank and her employer to get the issue rectified.

Barclays have said the payment was held up with the old bank. It isn't clear who was at fault for the delay. However, I don't think it was unreasonable for Miss G to expect Barclays to assist her further in sorting the issue out particularly given that the current account switch guarantee says it would take care of the switch in a simple, reliable and stress-free way.

I recognise Barclays feel the error was with the old bank. However, during the call on 30 August 2024 they were able to see the funds has been paid to the old bank. Instead of following up with the old bank on Miss G's behalf, despite her asking, they said she needed to contact them herself. I think if Barclays had contacted them, it is likely the situation could've been sorted out quicker as they would have been able to have a more productive conversation since they knew where the funds were. And initiated the transfer directly to them.

Miss G's old bank haven't taken responsibility for the issues that occurred and given that she was in constant contact with Barclays it's evident that she wasn't getting a great deal of assistance from them. But Barclays still didn't try to assist Miss G further by engaging with the old bank to resolve the situation.

I recognise Barclays interpretation of the switch guarantee isn't the same as Miss G's. However, I don't think it was unreasonable of her to have expected them to take control of the issue and support her further as that is what the switch implies, and they were her new banking provider.

I don't think it was entirely clear to Miss G, during the conversations with Barclays, what was going on. Some agents were specific that it was a fault at her old bank and others suggesting they would credit the account if her salary hadn't appeared, which I understand is only done when it's a fault at their end. So, I think this added further stress and confusion. I don't know what was said by Miss G's old bank at that time but from the calls Miss G had with Barclays I note she wasn't clear on where her money was or what was happening. As the days went on Miss G became noticeably frustrated and distressed particularly due to the funds involved. Whilst at the start she didn't feel financial vulnerable its clear from the conversations that this did become a concern as time went on.

Overall, I think as the new provider, Barclays were responsible in ensuring the switch ran smoothly. This didn't happen and Barclays should have done more such as engaging with the old bank to help Miss G resolve the situation. Whilst her salary was only delayed around a week, this was a significant sum of money. It caused a significant amount of distress and inconvenience as Miss G was trying to sort this out whilst needing to work and it led to her becoming quite emotional during calls with Barclays. I therefore feel Barclays should pay Miss G £300 in total in recognition of the impact caused.

My final decision

My final decision is that Barclays Bank UK Plc should pay Miss G £300 in total. If they have already made an interim payment, they only need to pay the remainder to bring the total

compensation paid to £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 7 March 2025.

Karin Hutchinson
Ombudsman