

The complaint

X complains that Barclays Bank UK PLC failed to meet its obligations under the Current Account Switch Service and gave him poor service and incorrect advice.

What happened

X wished to move his current account to Barclays from a third-party bank which I'll refer to as S. He used the Current Account Switching Service to do this. Barclays sent X letters to confirm the switch was a) being processed (12 July 2024); b) had been accepted by S (15 July 2024) and c) had been completed (22 July 2024). The switch was due to complete on 18 July 2024 with any balance remaining on X's current account with S being moved to Barclays. X's current account with S would then be closed. Barclays told X on 23 July 2024 and 24 July 2024 that payments he'd made to various merchants using the debit card he'd held with S couldn't be paid because there weren't enough funds in his account to pay them.

X raised a complaint with Barclays because he felt Barclays hadn't met the requirements of the Switch Guarantee. He said that he'd never been told that Barclays couldn't guarantee payments would be honoured if they'd been made using his old debit card with S. He also said that Barclays had taken the balance from his current account with S on 17 July 2024 and that's why the payments he'd made using the old debit card hadn't gone through. X further complained that Barclays had failed to call him back when it said it would and had shifted the responsibility to sort the payments out onto himself. He explained that he was disabled and that he was struggling to deal with this problem.

Barclays for its part admitted it had given poor customer service and hadn't called X back when it said it would. It apologised for this and gave total compensation for distress and inconvenience of £175 but didn't accept it hadn't kept to the Switch Guarantee or made a mistake in not making the payments referred to it from S. X disagreed with Barclays and referred his complaint to this service where it was reviewed by one of our investigators.

Our investigator said that they felt the compensation awarded to X was fair and that they weren't going to ask Barclays to do anything further. In addition, they said Barclays had done all it could, or should, have done including advising X that he should contact the merchants to whom the payments were due to arrange payment. X disagreed with the investigator stating that Barclays had transferred money from S before it should have done, including the "pending" balance which would've enabled the debit card transactions to have been paid. X also said that the PayUK guidelines state any errors will be rectified by the bank to which the account is being switched and Barclays hadn't done that. Unable to reach agreement, X asked that his complaint was referred to an ombudsman for a final decision. So, it's 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.

It's clear that X is very distressed by this matter, and I'd like to reassure him that I've

considered everything said in his various telephone calls with Barclays and the information sent in by both him and Barclays. In making my decision, I've looked at the key issues as I see them. That may mean that not every point raised by X will be answered. That's not meant to imply any discourtesy, it's simply that the nature of this service as an informal dispute resolution service allows me to focus on those key issues which I'll address below.

Did Barclays fail to follow the terms of the Current Account Switch Service?

In order to answer this, I've looked at the leaflet created by Barclays in May 2022 Switching to Barclays? Leave it to us which incorporates the switch guarantee.

The guarantee says that the process will take seven days, there'll be a request for regular payment information from the transferring bank so these are not missed, and the balance of the old account will be switched on day seven with the old account being closed on that day. In the case of X's account, Barclays said the switch would take place on 18 July 2024. X says that Barclays took money from S prior to 18 July 2024 which means there wasn't the money on his old account to pay the card transactions he'd made on the old account. X also says that the switch service says any errors in making the switch are for the receiving bank to resolve.

I don't disagree with X's last point, that is what the guarantee says. But the question here is whether Barclays made an error. I don't think it did. I say that because having looked at the opening statement on X's account with Barclays, the first transactions made by X were on 16 July 2024. I therefore believe it to be clear that X knew his new account was up and running. I see that X made several transactions paying money out of his Barclays account but also transferring money in on 16 July 2024. There is importantly no evidence of any money being received into the new account on 17 July 2024 which is when X suggests Barclays erroneously took money from his account with S. There is however a credit transfer of £0.59 on 18 July 2024 which has the description "Balance transfer". X says there should've been a pending balance with S – I have no evidence this was the case and my remit here is to look at what Barclays knew at the time – not what was happening with X's account with S. If X believes there should've been more money available to transfer to Barclays, then he must take that up with S. So, given this information, I'm persuaded that Barclays transferred the balance of X's account on the correct date. I therefore don't consider that Barclays made an error during the switch process.

Should Barclays have paid the card transactions made using S's debit card?

I've looked here at the leaflet referred to above and note in the terms and conditions at 1.19 on page eleven it says:

If you have used your Old Account debit card before the Switch Date to make payments which have not been authorised and paid by your Old Bank out of your Old Account before the Switch Date, we will pay them out of your New Account (subject to the availability of funds). (my emphasis added)

In X's case, on 23 and 24 July 2024, when S asked for payment to meet the old card transactions, there were insufficient funds on the Barclays account to pay them. Barclays therefore had the basic lending decision to make, was it prepared to create an unauthorised overdraft to pay the debits, or would it refuse to pay them. Barclays elected to not pay the items and informed S of their decision. It's not my role to determine whether Barclays should or shouldn't have created an overdraft – that's a commercial decision that I can't interfere with.

I understand how strongly X feels that these payments should've been made and how embarrassed he feels by them not being honoured. But I can only see that there weren't funds available in the Barclays account at the time payment was requested and so Barclays was entitled to reject the payments. I can only reiterate what has already been said by both Barclays and our investigator that X should contact the merchants and arrange for the payments to be made. Given the circumstances, I can't see Barclays has treated X differently to any other customer and so I don't think Barclays has made a mistake here.

Is the payment for distress and inconvenience given by Barclays sufficient?

Barclays has made payments totalling £175 for the distress and inconvenience because it accepted the poor service it'd given. X says he would've accepted this if the problem had been resolved, which in his opinion, it hasn't. So, X feels more compensation is due. He particularly cites that because of his disability and other medical issues, this problem has caused him great anxiety and stress. I note however that in one of the conversations, the Barclays adviser asks if they can make a note of the disability and accompanying problems so others might be aware. X says he doesn't want that to be done. It therefore seems to me that if Barclays are unable to see from their records the nature of any difficulties and reasonable adjustments required, I can't hold Barclays liable if X is treated the same as any other customer.

As I've said above, I don't believe Barclays made an error in making the switch when it did, and I don't think it had to make the payments requested by S. But I do think the customer service journey has not been a good one and there have been instances where X was given misleading information. That's obviously not good for X and I do believe he's entitled to compensation. If the misleading information had led to X making decisions which later turned out to be detrimental, then I may be inclined to think a higher award was appropriate. But that isn't the case and the misinformation referred to matters in the past not ones which affected the future. So, I consider that the award already made totalling £175 is both fair and reasonable.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint..

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 21 March 2025.

Stephen Farmer
Ombudsman