

The complaint

Mr and Mrs G have a personal current account with Barclays. Mrs G sometimes uses the account to conduct business in the capacity of a sole trader. On 8 December 2023 an incoming payment for £380 was stopped. This payment was part of a contract which Mrs G says was worth around £3,000.

What happened

Barclays sent Mrs G a text message on 11 December 2023, asking her to call to discuss the payment. When Mrs G spoke with an agent from Barclays on 13 December 2023, she was unable to answer all of the questions presented to her – specifically, about some text contained on the payment instruction. As a result, the agent said they would speak with the sending bank to get the information they needed.

Mrs G spoke with Barclays on 15 December 2023 and was told the sending bank was yet to provide the information that had been asked for.

Mrs G phoned again on 27 December 2023. She provided the information that had been requested by the agent she had initially spoken with. Unfortunately, the sender had by then recalled the £380 payment, but Mrs G wasn't made aware of this until a call which took place the following day. During that call, Barclays' agent advised that the payment had been cancelled by the sender. The agent also explained the reason for the delay and Barclays' process. But Mrs G wasn't satisfied with this and raised a complaint about the block, the questions asked, and the service received. She also queried whether the payment was stopped for alternative reasons.

In Barclays' response to Mrs G's complaint, it said the payment was picked up by its fraud department for verification. It went on to explain transactions can be delayed, and blocks placed on accounts at any time if the activity is suspicious, unusual, or out of character for the account. It added this was to maintain a high level of security and prevent fraud.

Whilst Barclays didn't think it had acted unfairly, to acknowledge Mrs G's distress, it offered her £100. Mrs G didn't accept Barclays' offer and brought the complaint to our service.

Our Investigator didn't uphold Mrs G's complaint. She said she didn't think Barclays had done anything wrong in holding the payment. She said the information Barclays had asked questions about was contained on the payment slip, and she didn't think this was unfair for Barclays to query. But the Investigator acknowledged that Barclays hadn't updated Mrs G once the payment had been recalled by the sender. The Investigator noted the £100 offer from Barclays and found this did enough to make up for the impact of not contacting her sooner.

Mrs G wasn't satisfied with the Investigator's view. She said the payment slip made no mention of the information Barclays was concerned about, and felt this was the key misunderstanding behind Barclays' actions.

She also said Barclays gave her conflicting assurances on when the payment would be

released. She said an agent had told her the payment would be credited to her account, but during the same call, that it would be returned to the sender.

Mrs G also raised concerns that Barclays hadn't produced evidence to show the funds had ever been credited back to the sender. She said communication with her client ceased after they'd told her the money they'd sent hadn't been returned. She highlighted newspaper articles she'd found which she said talked about Barclays deducting funds from its customers' accounts.

The Investigator continued looking into things. At her request, Barclays provided call recordings of its interactions with Mrs G. It also sent SWIFT confirmation of the funds being returned to Mrs G's client. The Investigator issued a further view on the matter, empathising with the frustration Mrs G experienced. She agreed that Barclays had, at times, given confusing information around timescales, but felt £100 was sufficient to make up for the impact of this.

Mrs G remained unhappy, asserting that the information at the centre of Barclays' concerns wasn't contained on the payment slip, and so she couldn't have known what it related to and therefore wouldn't have been able to provide a sufficient answer for Barclays to release the payment. She also said the SWIFT information didn't confirm the completion of the transaction, and that Barclays had failed to address the concerns raised in her initial complaint.

Mrs G concluded by asking the Investigator to reconsider her view and award her the £380 she'd missed out on.

The Investigator put Mrs G's concerns to Barclays. In response, it provided the back-office data from the payment which displayed the information Mrs G had been asked about. It also showed its correspondence with the sending bank, where it asked for clarification on the same information, as well as a copy of the confirmation it gave the sending bank of the funds being returned.

However, as no agreement could be reached, the case was passed to me to decide.

I issued a provisional decision. It said:

Businesses are generally expected to ensure the amount requested by the payer is credited to the payee's account by the end of the business day following the time of receipt of the payment order. But there are exceptions, one of these is supported by Barclays' terms and conditions, which say:

'We'll do all we can to carry out your instructions. However, we don't have to follow an instruction for any of these reasons.'

One of the reasons listed is:

'We reasonably think that a payment into or out of an account is connected to a fraud, scam or any other criminal activity. This includes where we reasonably think the funds are being obtained through deception.'

Barclays has explained that the payment was picked up by its fraud department for verification, and a text message was sent on 11 December 2023 asking Mrs G to get in touch.

When Barclays and Mrs G spoke on 13 December 2023, the adviser explained that

Barclays' international processing team had some questions about the payment. I've listened to a recording of the call. In the recording, the adviser explained that Barclays had attempted to contact the sending bank, but was yet to receive a response. He said he was asking Mrs G for the information he needed to see if the payment could be processed a bit quicker. However, as Mrs G was unable to answer one of the questions, specifically about text Barclays obtained from the payment reference field, Barclays wasn't satisfied it could release the payment and said it would go back to the sending bank to get the information it needed. No assurances or timescales about the payment's release were given during the call.

Barclays' fraud prevention system is complex, and its algorithms haven't been shared for good reason. To do so would allow fraudsters to circumnavigate the measures put in place to protect Barclays and its customers. In this case, an incoming payment tripped the fraud prevention system, prompting Barclays to place the payment on hold until Mrs G could provide the information Barclays needed to allay its concerns. As Barclays explained in its call with Mrs G, all payments are subject to review, and I've seen no evidence that the payment was held unfairly, or for any other reason besides genuine concerns.

As Barclays attempted to contact Mrs G shortly after the block was placed, I'm satisfied contact was attempted at the earliest opportunity. And, given Barclays' intention to protect itself and its customers from criminal behaviour and fraud, I don't currently think it would be fair for me to say the block shouldn't have been applied.

So I've gone on to think about whether the block should have been lifted sooner, and about the service Mrs G received.

On 15 December 2023, following Mrs G being unable to answer all of Barclays' questions, Barclays contacted the sending bank in an attempt to gain the information it needed in order to release the payment. Its notes show the sending bank responded on 20 December to confirm it had asked its customer and would be in touch. But on 27 December the sending bank contacted Barclays again to say its customer wished to cancel the payment. Mrs G gave Barclays the information it needed to release the payment shortly after. But, by this time, as it had already received a request to return the payment, Barclays wasn't able to release it into Mrs G's account.

Having thought about the timeline and Barclays' actions to obtain the information it needed, I'm not minded to say Barclays did anything wrong here. I say this because I wouldn't have expected Barclays to release the payment until its concerns were allayed. It gave Mrs G time to get the information, whilst simultaneously seeking it for itself. It's unfortunate that the sender cancelled the payment shortly before Mrs G was able to pass the requested information to Barclays, but that isn't something I can hold Barclays responsible for. Nor would I expect it to refuse to return the payment to the sender.

I've thought about Mrs G's unhappiness with the service and information received from Barclays. Mrs G has pointed out that the information Barclays queried wasn't contained on the payment slip. She has said this was a key misunderstanding which she believes significantly influenced Barclays' compliance actions and subsequent questioning. But Barclays has shown our service the information it sought clarification on, and I'm currently persuaded it couldn't have known this information had it not been available from the payment information keyed by the sender.

But in any case, neither Barclays nor Mrs G were able to provide clarity in this regard, so, regardless of how the information was entered by the sender, the sender would always have needed to be contacted. As Barclays explained to Mrs G, it had also attempted to contact the sending bank, as well as giving Mrs G the chance to provide the information. Because of

this, I'm not minded to say Barclays' actions were unreasonable, or that they unfairly disadvantaged Mrs G by contacting her to see if she could help with the information Barclays needed.

Mrs G has raised concerns about whether the payment was returned to the sender, and about the evidence Barclays has supplied to support its statement that the money was returned. Barclays has told our service the funds were never released to Mrs G and that they were returned to the sending bank. Having looked at the systems information given to me by Barclays, in particular, the SWIFT messages from Barclays to the sending bank, as well as references to the cancellation request, I think it's more likely than not that a return was processed. Mrs G has said the sender will no longer communicate with her, and so hasn't confirmed the payment has been returned. But this doesn't persuade me they haven't received the money from the cancelled payment – only that they no longer wish to communicate with Mrs G. As such, I don't currently think Barclays has done anything wrong here, either.

Mrs G also says she was promised she would be reimbursed by Barclays on three occasions. As mentioned, I have received all available calls on the case and have been unable to identify a conversation taking place in which Mrs G is advised she'll be reimbursed. I have heard a call in which Mrs G was told the funds would be released once the compliance department was satisfied – and the information on file persuades me this was likely to be what would have happened had the payment not been cancelled by the sender. But Barclays couldn't have known the sender would cancel the payment prior to its release. And so, again, I can't hold Barclays responsible here.

Mrs G says she was initially told by Barclays that there would be a 48-hour processing time for the payment, but I haven't heard any timescales mentioned in the calls I've listened to. However, I think that if a 48-hour timescale was mentioned, it may have been in relation to an incoming international payment's general processing time, and not the release of the payment. In any case, it remains that Barclays is able to withhold payments it has concerns about. And, as I'm satisfied that contact was attempted soon after the payment was held, and that Barclays took appropriate steps to gather the information Mrs G wasn't able to initially provide, I'm not currently persuaded it has done anything wrong on this point.

Barclays has offered Mrs G £100 to acknowledge the distress and inconvenience she experienced. For the reasons covered in my findings above, I'm minded to say this offer is fair in all the circumstances.'

Whilst Barclays didn't respond to my provisional decision, Mrs G submitted further comments. She said her complaint wasn't just about the £380 payment at the centre of the case, but also about the broader ramifications of this decision for the trust that customers place in UK banks. She said the case highlighted what could be a new and troubling development of funds disappearing without transparency or accountability.

Mrs G highlighted that the answer to the compliance question she'd been asked had not been available to her at the time. She believes this sets a dangerous precedent which grants banks significant discretion in their compliance measures.

Mrs G talked about the £380 payment being returned to the sender. She questioned my finding of it being more likely than not that the return was processed, based on the SWIFT information Barclays had provided. She said it appears the money has disappeared entirely. She added she was troubled that her funds were held under compliance measures and declared returned without what she feels was independently verifiable evidence.

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.

Having done so, I see no reason to depart from the findings in my provisional decision. I'll explain why.

In my provisional decision I explained that Barclays contacted the sender *as well as* Mrs G for the information it needed. It gave Mrs G enough time to secure the information and respond to Barclays. So even if Mrs G couldn't have known the answer immediately, I don't think Barclays acted unreasonably here. I think it gave sufficient time for its concerns to be resolved, and would likely have released the payment had it not been cancelled by the sender.

In relation to the cancellation and return being processed, I've been presented with no evidence which persuades me this wasn't done. As mentioned in my provisional decision, Barclays has provided evidence in the form of SWIFT messages which confirm the cancellation. I see no reason to doubt this evidence – or any of the evidence presented by either party to this complaint.

Having reviewed the evidence alongside the circumstances of the case, I still think this evidence shows it was *more likely than not* (which is the test I must apply) that the cancellation and return was processed by Barclays.

I understand Mrs G's apprehension here, particularly as, from the information I have, the sender no longer communicates with her. But any complaint about the funds not being returned to the sender would be for the sender to make, and not Mrs G. So, whilst I can understand why Mrs G thinks the money has disappeared entirely, for the reasons already explained I don't share this opinion.

Mrs G has raised concerns about the banking sector and financial services industry as a whole. Whilst I appreciate and understand her concerns here, my role is to review the individual circumstances relating to her complaint against Barclays, and decide the fairest outcome in all circumstances of *this particular complaint*.

It isn't for me to comment on, for example, the trust that consumers place in UK banks. Instead, I'm required to say what I think more likely than not happened in this particular case. And, having thought carefully about the information presented to me, I'm not persuaded that Barclays has done anything wrong.

My final decision

My final decision is Barclays Bank UK PLC should pay Mr and Mrs G £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 5 February 2025.

James Akehurst
Ombudsman