

## **The complaint**

Miss D is unhappy with Barclays Bank UK PLC. Miss D used the switching process to move her bank account to Barclays from another bank. When the switch completed Miss D found that the new account didn't include her old overdraft from her previous account. Barclays said Miss D hadn't requested to bring over her old overdraft.

## **What happened**

Miss D visited a branch to discuss the overdraft not being included as part of the switch and was initially told to wait a few days. But Barclays later confirmed this advice was incorrect. It said Miss D needed to have asked for the arrangement in advance of the switch so it could arrange a funding limit with her. As she hadn't asked for a funding limit or an overdraft there wasn't anything Barclays could do now about the overdraft. It said it could transfer Miss D's account back to her previous bank and she could see if she could keep her old overdraft, but Miss D declined this option.

Barclays accepted it had given Miss D incorrect information and advice during the process. For this it apologised and offered £200 compensation. Miss D didn't accept this, she wanted her £2,000 overdraft limit restored with her new Barclays account and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said Barclays weren't at fault here. He noted the Barclays terms and conditions said anyone applying for a switch and wanted an overdraft needed to apply for it before going ahead with the switch. He noted the option of a funding limit to pay off an old overdraft also had to be agreed beforehand. Our investigator highlighted that Barclays would pay the old overdraft as shown in the terms and conditions, on the day of the switch if the customer had followed the right process. He didn't think Barclays had made any mistakes and it didn't have to do anything more.

Miss D didn't accept this and asked for her complaint to be passed to an ombudsman 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.

Miss D said when Barclays advertised the switch service it said it would take care of anything and customers wouldn't need to worry. She said this didn't just include direct debits, but also overdrafts and loans.

Miss D said she had an overdraft with her previous bank for £2,000. She said Barclays moved over everything except for the £2,000 overdraft. Miss D said her old account was closed with an outstanding debit of £428.06. She said this left her with no money in her new account. She said it was fortunate she had already moved £1,000 over to the new account before the transfer took place.

Miss D said due to the outstanding debt on her old account the previous bank has written to her stating it will get debt collectors involved. Miss D said this will impact her future credit and credit score. She said she was left without enough money to cover bills and an upcoming holiday.

Miss D said she was suffering with stress and had to lend money from family members to survive and clear the debt.

Barclays noted Miss D arranged the switch on the website. It accepted she then visited a Barclays branch when the switch was going through as her old account still showed as being overdrawn. Barclays agreed Miss D was wrongly advised to wait a few days while the switch was processing. But Barclays also noted that before this point Miss D hadn't applied for an overdraft to repay the former overdraft.

It said Miss D returned to the branch a few days later and an overdraft application was processed. But Barclays confirmed this was unsuccessful. Barclays said it didn't make any mistakes here, it said an overdraft would always be subject to checks.

Barclays didn't agree to give Miss D a new £2,000 overdraft limit. It said all the relevant information regarding the switching process was on its website. It said when Miss D started the switch an information booklet was sent which included details about overdraft arrangements. It confirmed again it offered Miss D the chance to transfer back to her previous bank.

Barclays said there was no request for an overdraft made in the process of setting up the switch online by Miss D.

Barclays also produced a copy of a letter to Miss D dated 28 August 2024 which said *"If you have requested us to arrange a funding limit to clear any overdrawn position on your old account this will be transferred to your [previous bank] account before midday on 2nd September 2024. The amount of the funding limit will depend upon the available funds in your Barclays account at close of business the day before your switch date."*

Barclays said Miss D never used this option.

Barclays offered £200.00 compensation for giving Miss D the incorrect information when she initially visited the branch, and because a call back wasn't made. It also apologised for any upset caused.

In view of Barclays referring to it's booklet and website I looked at what these said. Regarding arranged overdrafts the terms and conditions state: *"If you'd like to have an arranged overdraft with us, please speak to a member of staff before starting your switch. We will be able to advise if you're eligible for an arranged overdraft."*

The booklet also included a section about paying off an existing overdraft which said: *"We can contact your old bank to find out if any money needs to be transferred to clear an overdraft balance. You'll need to agree a funding limit with us."*

Barclays website also noted *"you'll need to repay the overdraft before you can switch."*

Based on the evidence presented I think Barclays have acted fairly and reasonably here. There's no evidence to show it had accepted to transfer the overdraft, agreed a funding limit, or discussed any arrangements for the overdraft in advance of Miss D visiting the branch when she noted the overdraft was still running on her old account.

It seems by this stage it was too late. The switch was already happening, and no arrangements were in place for Miss D to continue with any overdraft. So, the problems may have felt compounded when the later overdraft request was turned down.

I think Barclays was clear in the terms and conditions and I don't think it got anything wrong in the way it handled the switch. Miss D didn't specify around the need to bring over her overdraft from her old account or arrange for a funding limit to pay off the old account. Without Barclays being given the opportunity for it to make arrangements I can't find it responsible for the problems that followed.

But it did make mistakes in regard to the advice given to Miss D about waiting on the overdraft arrangements while the switch was already going through. I think Barclays did recognise the errors that it made and tried to resolve this when it offered £200.00 compensation for the mistakes. I think that was a fair and reasonable offer in the circumstances. Although Barclays didn't originally get it wrong, it did compound the problem when it gave wrong advice, which did delay Miss D getting things put right. This did clearly have an impact on Miss D, and I think the £200.00 offered as compensation was fair based on that impact.

### **My final decision**

I don't uphold the complaint.

I make no further award against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 31 March 2025.

John Quinlan  
**Ombudsman**