

The complaint

G, a limited company, has complained about the service it received from Barclays Bank UK PLC trading as Barclaycard. G entered into a contract for the provision of a card terminal and associated services to allow it to take card payments. Barclays provided the background banking service that processed the card transactions. G has complained because Barclays incorrectly closed its account and then took over a week to reopen it at a busy time of year.

G has put forward that it has suffered a financial loss of £652.67 and has asked for compensation of £500 for the distress, upset and worry caused to its directors.

What happened

G had a hire agreement with a third-party company for a terminal for card transactions at its retail premises. G has told us that the transaction fee was on average 0.7%

On 13 November 2023, G notified the third-party that the business was being sold in January 2024 and it would only need the card terminal until then. The third-party incorrectly instructed Barclays to close G's account as of 13 December 2023. Barclays has confirmed that due to human error this instruction was not processed correctly.

At the end of November 2023 the third-party sent G an invoice for the provision of the card terminal and associated services for the period 30 November to 13 December 2023, at which time the agreement would end. G contacted the third-party on 6 December 2023 to tell it that the closure of the account on 13 December 2023 was incorrect.

On 6 December 2023 the third-party instructed Barclays not to close G's account. As the previous instruction relating to the closure of the account had not been processed correctly, the cancellation of that instruction could not be actioned, as the closure was not pending. However, Barclays then processed the previous instruction on 13 December 2023 and G's account was closed that day. G has said the card terminal stopped working at 12.30pm on 13 December 2023. It has confirmed that it was able to provide card transactions to its customers temporarily using a different provider, but that the transaction fees were much higher with that provider – 1.69%.

Various calls were made between G and the third-party. Eventually it was established that the account with Barclays had been incorrectly closed, and instructions were given for it to be reopened. G has reported that the card terminal started working at 5.25pm on 21 December 2023.

A complaint was made to both the third-party and Barclays. The information G has provided to this Service indicates that the third-party refunded its charges for the period the account was closed.

Barclays responded to the complaint in a letter of 10 May 2024. It said that it had closed the account as it had been instructed to do by the third-party and reopened it when it was instructed to do so. As such, Barclays did not consider it had done anything wrong in relation

to the things complained about. However, as it had taken so long to respond to the complaint, Barclays paid G £100 for the inconvenience caused.

G was not satisfied with the response and referred the complaint to this Service. When it did so, it itemised its claim for loss:

- Higher transaction fees for the card transaction processing while the Barclays' account was closed of £64.17.
- Fuel costs for 4 additional return journeys (amounting to 150 miles) to the retail outlet during the period the account was closed to facilitate the use of the temporary card terminal, of £67.50 at £0.45 per mile.
- Loss of sales for items put aside when no card terminal was available, but which were not then collected and paid for, amounting to £161.00.
- A payment for the inconvenience caused, additional time travelling to the retail premises and staff training amounting to £360.

One of our Investigators considered the complaint and ultimately, recommended that the complaint be upheld. She thought that Barclays should reimburse any terminal charges G had to pay during the period its card terminal had not been working. In addition, she recommended that Barclays pay G £150 for the inconvenience it was caused.

G was not happy with the redress recommended and Barclays didn't provide a response. As such, G asked that the complaint be referred to an Ombudsman for consideration.

'Having considered the evidence in this case, I am satisfied that, had the human error Barclays has reported not occurred, G's account with it would not have been closed on 13 December 2023. As such, I am satisfied that Barclays should reasonably cover any additional costs and losses that G incurred, which it would not have, had Barclays not made the mistake it did.'

The information provided by G indicates that the third-party that provided the card terminal has refunded its charges for the period it could not be used. As such, I have considered the other costs that G has requested be reimbursed to it:

Card transaction fees

G has said it paid more in transaction fees between 12.30pm on 13 December 2023 and the close of business on 21 December 2023, because the temporary card terminal used applied a higher transaction fee. If that is the case, Barclays should reimburse the difference between what it would have charged and what G paid the other provider.

While I note that G has given a figure for this amount, if it wants Barclays to reimburse the sums involved, it will need to provide evidence of the transactions and the fees charged. Barclays can then calculate the amount it would have charged for the transactions and reimburse G for the difference. Given the time that has passed since the transactions, Barclays should also pay G interest on the sums refunded from the date of each transaction to the date of settlement.*

**Interest is at a rate of 8% simple per year and paid on the amount specified and from/to the dates stated.*

Fuel costs and time for additional visits to the retail address

G has asked to be reimbursed for additional return journeys for the directors to the business address to facilitate the use of the temporary card terminal and for it to be paid for their time in doing so. Based on the mileage claimed for, it would indicate that the directors made four

additional round trips from their home address to the retail address. In order for me to award these costs I would need to see evidence that these trips took place and that they were in addition to those that the directors would normally have made during the eight-day period. Furthermore, it would need to be evidenced that they were solely for the purposes of dealing with the issue of the card terminal, rather than being needed because it was the busy Christmas period, and if that was the case, that no other business activities were undertaken during those trips.

Currently I am not minded to make an award in this respect, based on the evidence G has provided.

Lost sales

G has listed three items as lost sales – items that were put aside for later payment and collection, which were then not paid for or collected. I can understand why G has attributed this situation to it being unable to take card payments for them, but it is possible that even if the card terminal had been working, those sales may not have completed, or if they had, the items may have been returned.

Furthermore, it appears that the retail price of the items has been claimed for. Even if there was adequate information to evidence the sales fell through because of the lack of card terminal, G would not be able to claim for those sums. It would only ever have been able to claim the difference between the amount it paid for the items and the retail price – the profit it would have made.

Distress and inconvenience

This account has been brought in the name of G, a limited company. As a commercial entity G is not able to feel upset or worry, and so I am unable to make an award in that respect as has been requested. However, I can make an award for the inconvenience the error caused the company.

It is clear that G had a lot of contact with the third-party during the time the account was closed. Based on the information G has provided about that contact, it seems the third-party did not handle G's enquiries efficiently and that meant that G had to make more effort to get the matter resolved. While the overall situation was caused by Barclays closing the account, and it is responsible for the inconvenience that matter caused G, I can't hold it responsible for the additional inconvenience the third-party added to that with its poor handling of the situation. I consider, in the circumstances, an award of £250 is appropriate.'

G said it accepted the provisional decision in order for the matter to be resolved, and so that its final accounts could be completed. It provided information for onward transmission to Barclays to enable it to calculate the transaction fee reimbursement.

Barclays also accepted the provisional 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 have reviewed the file again in its entirety and I have revisited my provisional decision. Having done so, and in light of both parties' acceptance, I see no reason to change my conclusions.

Putting things right

Barclays Bank UK PLC should:

- Reimburse any difference between the transaction fees paid to the alternative terminal provider and the fees G would have paid Barclays for the same transactions. *Interest should be paid on the amounts reimbursed from the date of the transaction to the date of settlement.

G will need to provide evidence of the relevant transactions and charges paid.

- Pay G £250 for the inconvenience its error caused.

*Interest is at a rate of 8% simple per year and paid on the amount specified from/to the dates stated.

My final decision

My decision is that I uphold this complaint. I order Barclays Bank UK PLC trading as Barclaycard to settle the complaint as detailed in 'Putting things right' above.

Under the rules of the Financial Ombudsman Service, I am required to ask G to accept or reject my decision before 14 March 2025.

Derry Baxter
Ombudsman