

The complaint

Mr O complains about Barclays Bank UK PLC blocking his card and leaving him in a vulnerable position when he was overseas.

What happened

Prior to travelling to Country A, Mr O contacted Barclays to let them know he planned to use his account and card in that country.

Mr O explains that it was critical he had access to the funds in his Barclays account whilst in Country A as he 'was travelling alone and had no other monetary support.'

Mr O describes how:

- At the start he successfully used his card in Country A.
- Barclays then began 'issuing blocks daily without prior consultation or enquiry about the charge.'
- The blocks occurred 3 times over 3 days and this caused:
 - Severe disruption to his break.
 - A high amount of stress from 'being put in danger and having to hand over' his 'passport to merchants as a form of deposit for food I had consumed prior to knowing a block had been placed.' Also, feeling 'stranded on numerous occasions with no financial support whilst thousands of miles from home.'
 - High financial costs from his phone provider when:
 - Contacting Barclays to unblock the card and to explain how critical use of his account was.
 - He was told the calls were free.
- He lost holiday / holiday time.
- He expected an 'enquiry call, text, or email from a representative prior to issuing the block despite Barclays having prior knowledge of my intent to transact in (Country A) during that period.'
- He was dissatisfied with Barclays handling of his complaint.

When Mr O complained to Barclays, they apologised for him being inconvenienced by their fraud detection / prevention process and said their system was designed to protect him and keep his account safe. They explained that when a transaction is selected for further investigation, they try and check it's genuine as quickly as possible. And due to increasing fraud, how they, under the account Terms and Conditions, are entitled to take preventative action delaying or cancelling payments at any time.

Regarding his call charges they said they'd 'reviewed the call records between 18 and 21 September and I can evidence you spent roughly 80 minutes on the telephone with us over a four-day period. This was to confirm the payments as genuine and I can confirm the blocks were removed in a timely manner once you'd contacted us.'

Mr O escalated his complaint to our service looking for a compensation 'figure in the thousands'.

Our investigator upheld his complaint. He considered that Barclays fraud system didn't treat Mr O fairly and said their system 'seem to have acted inconsistently as none of Mr O's transactions were blocked in the first week, then 3-days of continual blocks, largely on very low value transactions (£2.43, £7.12), then another period of transactions going through without issue. He said Barclays should pay £300 in compensation and £322.56 in call charges.

However, Mr O remains dissatisfied. He considers a compensation 'figure in the thousands is realistic' here. So, his complaint has been passed to me to look at afresh

I issued a provisional decision on 3 February 2025 and this what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed.

Before I issue my final decision, I wanted to give everyone a chance to reply.

The deadline for both parties to provide any further comments or evidence for me to consider is 17 February 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If Barclays Bank UK PLC accepts my provisional decision, it should let me know. If Mr O also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What I've provisionally 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, my provisional decision is different to the investigator and based on the information received so far, I'm partially upholding this complaint.

I should first say:

- From listening to the calls, I'm persuaded that Mr O experienced some distress and inconvenience when he visited Country A and his transactions were blocked and he considered himself to be in a vulnerable position.*
- I'm very sorry to hear this, however I must approach this matter objectively.*
- I've carefully considered all the points Mr O has made and I've focused on what I think are the important points to reach a final decision.*
- There are rules (known as DISP Rules) laid down by the regulator, the Financial Conduct Authority, which means complaint handling is not a regulated activity. So, specific complaints about how a business has managed a complaint can't be considered by our service.*

I first looked at whether Barclays system did act inconsistently and treat Mr O unfairly. It wasn't clear from Barclays response to the investigator's view whether they agreed to pay compensation because they were:

A. Acknowledging their fraud detection / prevention system and Terms and Conditions can cause inconvenience.

Or

B. Agreeing with the investigator's view that their fraud detection / prevention system treated Mr O unfairly.

So, I sought clarification from Barclays.

Barclays responses included the following:

'Although a Fraud Suppression Marker was applied which is the correct process, the other declined transactions were CF declines and this can happen occasionally. Technically there was no bank error but some transactions may be deemed very high risk and it is the fraud detection system reacting to high scoring transactions.'

And, from this, their file notes and complaint response letters, I consider it to be A – that they don't agree that their fraud detection / prevention system treated Mr O unfairly.

Whilst I can understand the unusual pattern described by our investigator and his reasoning, it isn't possible for me to view the risk information, scoring and logic that is applied to Barclays system. In addition:

- Banks are obligated to employ fraud detection / prevention systems to comply with banking regulations designed to protect their customers' accounts, as much as possible, from acts of attempted fraud.*
- Fraud detection / prevention systems are used by all financial institutions to flag risks and account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring.*
- It's incumbent on banks to be cautious and employ these systems with a degree of vigilance.*
- This can mean that there will be instances where legitimately authorised payments are flagged erroneously by the fraud prevention systems. This appears to be the case here, but it doesn't mean Barclays have treated Mr O unfairly.*

So, having considered the above, although I also understand and empathise with the inconvenience and distress Mr O experienced when in Country A, I don't think it would be fair or reasonable for me to conclude that Barclays system was at fault, and they made errors here.

Regarding the difficult position Mr O found himself in for a few days, Mr O says that he relied and planned upon being able to use his Barclays account and had 'no other monetary support' whilst in Country A.

However, Barclays say 'It seems reasonable to believe that when travelling overseas, customers take alternative payment methods, in case of circumstances such as this or if the card was lost or stolen.' I considered this to be a reasonable comment, so I asked Mr O for his response and whether he took another form of payment.

Mr O said he did travel to Country A with another payment method, company X, but X cards are 'generally not accepted.'

Considering this, I don't think Barclays can be held to be at fault when:

- A customer travels overseas expecting to spend solely on their card as, based on a bank's responsibilities and Terms and Conditions, there would be a risk that the card might be restricted. Also, a risk that it could be lost or stolen.*
- Having applied their procedure, they engaged with Mr O and then quickly removed the transaction blocks.*

So, whilst I understand the distress and inconvenience that Mr O describes and recognise it isn't possible to interrogate Barclays system to evaluate if it worked correctly, I don't think it would be fair or reasonable to hold Barclays responsible here or expect them to pay compensation for applying their fraud detection / prevention system.

As a security process is triggered by their fraud detection / prevention system, I can understand Barclays insisting on speaking with Mr O. However, I note that Barclays accept the following two service failings:

- 1. Texts messages, intended for Mr O regarding their card blocks, failed to send.*
- 2. Mr O's explanation that he asked Barclays live chat service for an international free phone number to reach them on to discuss these blocks, but when he used this number, he received high mobile call charges.*

So, I agree that Barclays should pay compensation for the first service failing and refund Mr O's call charges for the second.

Assessing compensation for service errors and the subsequent distress and inconvenience isn't an exact science and our approach when making awards is detailed on our website and tends to be modest. Considering that I can't conclude that Barclays fraud detection system acted unfairly here, when assessing the nature of the service failing together with the time period, I think £150 is a fair and reasonable amount of compensation.

Regarding Mr O's mobile call charges, I'm in agreement with our investigator that one call costing £128.52 relates to a scam incident and is not connected to this complaint. So, I also calculate the total call costs Barclays should reimburse Mr O are £322.56 (£451.08 less £128.52).

So, having considered all the above, my provisional decision is to partially uphold this complaint and require Barclays Bank UK PLC to pay Mr O £150 compensation plus call charges of £322.56 less any amounts already paid.

My provisional decision

For the reasons I've given above, it's my provisional decision to partially uphold this complaint. I require Barclays Bank UK PLC to pay Mr O the following less any amounts already paid:

- £150 compensation*
- £322.56 for call charges*

I'll look at anything else anyone wants to give me – so long as I get it before 17 February 2025.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

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 would like to thank both parties for responding before the deadline.

Barclays agreed with my provisional decision.

Mr O didn't provide any further comment or information for me to consider.

So, as no further arguments or evidence have been produced in response to my provisional decision, my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

For the reasons I've given in my above provisional decision, my final decision is to partially uphold this complaint.

Putting things right

To put things right I require Barclays Bank UK PLC to pay Mr O the following less any amounts already paid:

- £150 compensation
- £322.56 for call charges

My final decision

My final decision is that I partially uphold this complaint against Barclays Bank UK PLC and I require them to pay Mr O the following less any amounts already paid:

- £150 compensation
- £322.56 for call charges

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

Paul Douglas
Ombudsman