

The complaint

Mr and Mrs H are unhappy with Barclays Bank UK PLC. They said the removal of the automatic transfer of money facility from one account to another should be suspended for their accounts as they relied on it so heavily for many years. They wanted the suspension to allow time for discussion.

What happened

Barclays wrote to Mr and Mrs H about changes to their joint account. The changes included the withdrawal of Barclays Money Manager service which in turn meant the loss of the automatic money transfer from one account to another. Mr and Mrs H said they never got the letters explaining the removal of this facility and when they were made aware by text Mr H complained on behalf of both himself and his wife. Mr H asked Barclays to suspend withdrawal of the automatic transfer. Mr and Mrs H felt their request was ignored and then dismissed. Later they found out the automatic transfer facility was still in place on an account solely in the name of Mrs H. Mr and Mrs H said if they had been made aware of this at the time, they could have arranged for such a facility to be applied to their joint account too. They feel Barclays treated them unfairly. As the issue couldn't be resolved they brought their complaint to this service.

Our investigator didn't uphold the complaint. She said Mrs H's sole account wasn't part of this complaint and so she could only assess the issue related to the joint account. She accepted that Barclays had provided a copy of the letter it sent out originally to explain the removal of the facilities from the account. Our investigator referred to the account terms and conditions which said the account terms could be changed as long as this wasn't done unfairly. She said Barclays had acted in line with their terms and conditions. Mr and Mrs H didn't accept this. They asked for their complaint to be passed to an ombudsman for a decision.

In my original provisional decision, I said:

"Mr and Mrs H said they never received any letters from Barclays around August 2022 about the account changes. Mr and Mrs H said they knew nothing about the proposed change until they got a text from Barclays in November 2022.

Mr and Mrs H realised immediately that this would cause them a problem and so they requested Barclays suspend such action in relation to their own accounts. Mr and Mrs H said they'd originally taken up the facility as it had been suggested to them by a Barclays manager who had looked after their financial matters for them in the past.

Mr and Mrs H said Barclays ignored their concerns and as they put it the issue was "rapidly dismissed by an officer of the bank."

The next year the issue reared its head again. Mr and Mrs H said they found out the auto transfer facility was still in place on the personal account of Mrs H. So, logically Mr and Mrs H said it followed that if they'd been made aware of this previously, they could have

arranged for the same facility to be applied to their joint account – where they felt they really needed it.

Mr and Mrs H feel unfairly treated. They say Barclays should have restored the facility between their accounts while it was maintaining it for Mrs H's account. As far as they are concerned Barclays failed to tell them they could have asked for the auto facility to be applied to accounts despite them raising the point with two bank staff at the time. Mr and Mrs H said both staff members told them it was impossible.

Mr and Mrs H said the loss of the facility had added a considerable burden for Mr H. He now has to spend considerably more time monitoring the accounts. They have various incomes paid into the deposit accounts and direct debits and payments go out of the current account after funds have been transferred. So, Mr and Mrs H feel it's essential they maintain adequate balance in the account to avoid going overdrawn. They worry as they get older, they would like to have assurances that a banking facility that served them so well can be brought back for them to continue to use.

Barclays said Mr and Mrs H used to have "an Open Plan savings account" and this included the auto transfer facility as part of the account. It said the account was changed, the auto transfer was set to Mrs H's account, not Mr H's.

Barclays said it no longer offered the auto transfer service. It isn't something it would be able to add to the customer's account.

Mr and Mrs H said in their opinion it was very disappointing the facility was withdrawn knowing Barclays could have substituted auto transfer for Money Manager and did that for one of their accounts. If the change had been applied to the joint account Mr and Mrs H said they would have had no cause for complaint.

Barclays letter dated 28 February 2024 said:

"I appreciate you've sent a letter from 2004 in relation to your Open Plan savings account which had a Money Manager facility applied to existing current accounts. We don't dispute that you previously had this facility in place on your account. However, as previously advised, we wrote to you on 9 August 2022 to let you know your Open Plan savings account would be changing to a Everyday Saver account. This meant that the Money manager facility would also be removed.

Following the migration of Open Plan accounts to Everyday Saver accounts, we also had the option for customers to apply a Auto transfer facility to their accounts. which was applied to your wife's account. In light of this I'm unable to agree to an error in you not having this facility applied. This isn't something we can apply to your account now as this facility has been discontinued and we are unable to set up new auto transfer facilities."

When Barclays provided its file to this service regarding the removal of Auto transfer it said:

"We wrote to the customer on 9 August 2022 to let him know of this change. The customers then had the option to opt into a Auto transfer facility which was done for his wife's account but not Mr H's — which is why she has the facility.

As this facility has now been discontinued it's not something we can now apply to customers account unfortunately as we don't have the capabilities to set up new facilities."

I think these details clearly highlight the difference of position between the parties.

As far as Barclays is concerned it seems the change occurred, and it feels as though it carried out instructions as requested or required. Whereas Mr and Mrs H feel quite the reverse. They feel Barclays carried out changes without any consideration for their individual needs or circumstances. And they say if it had been clear they would have directed Barclays to take different action regarding the auto transfer facility and they would never have needed to complain.

I just don't think Barclays have really addressed that central point. I don't feel the evidence provided has shown me that Barclays carried out instructions as requested by Mr and Mrs H. Mr and Mrs H have continued to request an action that Barclays said it can no longer carry out. But I sense Mr and Mrs H's real issue is that if they had been aware at the time that such action could have been carried out for them, they would have reset the accounts in a way to ensure the auto transfer function still applied to the accounts they really wanted it to.

I feel Mr and Mrs H have continued to make the point throughout and haven't had a suitable response. Barclays have just maintained that the service is no longer available, and it hasn't made an error.

But I think it did make an error. So, I accept that Mr and Mrs H feel they have been treated unfairly. I accept that if Mr and Mrs H had been aware they could add the auto transfer facility to other accounts at the point when the accounts were changing, they would have done so. I think Barclays admit as much in both the letters referred to above. When Barclays provided its file to this service and in its 28 February 2024 letter it said "we also had the option for customers to apply a Auto transfer facility to their accounts. which was applied to your wife's account." There's no doubt the option was available at that time. It appears Mr and Mrs H weren't made aware of that, and they say they didn't act to set up a link to auto transfer only with Mrs H's individual account.

Barclays hasn't shown proof that it made Mr and Mrs H aware of the option, how they could apply it, and that from a position of knowledge they chose not to apply it to the other accounts but did so for Mrs H's account. Mr and Mrs H have contested this throughout and said they didn't arrange it themselves for one account and not the others. Mr and Mrs H feel Barclays haven't answered them on this point.

Barclays do have the opportunity through the terms and conditions to make changes to accounts. These need to be done fairly and reasonably and in line with notification and relevant timescales. But here Mr and Mrs H want the facility back and although Barclays are clear that it isn't now available, and it won't be brought back - it clearly still exists. In terms of how it went about writing to and then texting customers I don't think it did anything wrong when it went about changing the accounts. I won't be holding Barclays responsible for the letter not reaching Mr and Mrs H. I don't think Barclays acted outside its terms and conditions when it set about making changes.

Currently I'm unclear what's happened and why. I think this puts me in a similar position to Mr and Mrs H. To me there's no clear reason why the auto transfer is linked to an account that either Mr and Mrs H don't ever or rarely use the facility for. If the facility is still live on that account, then there doesn't appear to be good reason why it can't be brought back on other accounts for Mr and Mrs H too. Even if it can only be linked to one account for customers surely it can be swapped to a more appropriate account of Mr and Mrs H's choice.

Without fully understanding the details of this I'm not confident that I can issue a final decision. As currently it doesn't feel fair and reasonable that Mr and Mrs H have a facility they desperately want to keep and use but can't as its linked to the wrong account of theirs. That just feels unfair and unreasonable.

Perhaps Barclays will be able to provide clear and irrefutable evidence to explain the situation. So, I still need to say here that further details might change my mind. But currently it seems to me that the right outcome in this complaint would be for Barclays to switch on the auto transfer facility to accounts Mr and Mrs H want it to.

In terms of distress and inconvenience I do think Barclays could have offered better service. But it did previously apologise, accept the service hadn't been up to standard and paid £100 compensation in a letter dated 16 January 2024. So, depending on what action it can now take I think that amount is likely to remain reasonable."

Responses to my first provisional decision

Mr and Mrs H said if it would help Barclays, they would be content to restrict the facility to auto transfer from the joint deposit to the joint current account only.

They said they needed an alternative that didn't penalise the occasions when the current account becomes overdrawn because sufficient funds are available on the deposit account but weren't manually transferred in time to meet the liability. Mr and Mrs H said moving the direct debits and standing orders to Mrs H's sole account and adding Mr H as a joint account holder might work.

Barclays said it couldn't agree to the ombudsman proposal to add the auto facility as it no longer had the "corporate governance" to do this. It said it no longer had the capabilities to reinstate this facility as the function has been discontinued. Barclays would need to go through a "New and Amended Product Approval (NAPA) process." To bring the facility back and there were specific reasons why it was withdrawn so it had no plans to bring it back.

Barclays said within its system there was now a warning not to add the facility. It said it could now only cancel the facility. But it did say there is the option of setting up a standing order – Barclays suggested this gives the same outcome.

In view of the worry this was now causing Mr and Mrs H Barclays offered to change their statement arrangements to monthly from quarterly so they can monitor the account more closely. It said it could organise this if Mr and Mrs H let it know.

Barclays noted Mr and Mrs H were active on mobile banking, telephone banking and online banking which allows them to make transfers very quickly. It said the overdraft facility of £1,450 still applied in case Mr and Mrs H needed to use it.

Barclays said originally Mr H had "the Open Plan Money Manager Facility on his sole account." This allowed the transfer between the current account and an Open Plan savings account. This became a joint savings account and an Open Plan account during 2015. These accounts were all migrated in 2022. The Money Manager arrangements were no longer in place from this point as the functionality was closed.

It continued Mrs H had a historic auto transfer facility on her sole current account which allows customers to automatically move money, so they have a specific balance in the account at the end of each day. The ability to create this facility on other accounts has been discontinued.

Barclays confirmed these were different facilities offered to customers on different accounts. It said Mr H had never chosen to set up the auto-transfer facility and now it couldn't offer this to him.

Barclays said both facilities are no longer available to new customers and “as a result we are unable to offer them to Mr & Mrs H.”

In view of the responses, I needed to issue a second provisional decision, reaching different findings. I said:

“I appreciate both parties have tried to be practical in an attempt to reach an amicable conclusion here.

Mr and Mrs H are very keen to keep the facility and I picked that up and tried to support that in my previous provisional decision.

But Barclays has been clear that it is unfortunately impossible for it to bring any of the previous arrangements back to resolve the complaint in a way that would really work for Mr and Mrs H.

I still can't help but think Barclays could have avoided this situation by clarifying the issues at the outset when it first planned to remove the facilities. But I accept now that what I would prefer it to do to resolve the matter isn't possible and therefore it's impossible for me to suggest it in a final decision as it wouldn't be able to comply with the decision.

That's a real pity as it feels clear to me Mr and Mrs H are reluctantly complaining. They would just like to get the outcome they want and move on without the worry this situation has brought them.

But as I now accept Barclays really can't put the facility Mr and Mrs H would like back in place on the accounts, I can't maintain my previous provisional decision.

However, I do still think Barclays made errors here in the way it changed the arrangements and how it communicated this to Mr and Mrs H. The problems could have been avoided. So, I think Barclays should pay a further £150 compensation for the distress and inconvenience this has caused.”

Responses to my second provisional decision

Barclays accepted the decision.

Mr and Mrs H provided a substantial response. I'm not going to refer to every point they made. But I am going to work through the main factors most closely linked to the complaint.

Mr and Mrs H are still disappointed that Barclays aren't able to restore the facility which is what they really want. They feel it's the only way they can be adequately compensated.

Mr and Mrs H said they agreed that it was a shame Barclays hadn't clarified the issues sooner. They said as I can't maintain my first provisional decision, they would like me to reconsider the monetary compensation. Mr and Mrs H don't think corporate governance should stop Barclays from taking the action requested.

Mr and Mrs H said they only became aware of NAPA when reading the second provisional decision. Mr and Mrs H reviewed the NAPA guidelines at this point. They understand the principles but feel not providing the facility isn't good or proper governance, based on how it worked so well in the past (almost 40 years) for Mr and Mrs H.

Mr and Mrs H understandably highlighted the auto transfer facility had remained on Mrs H's account, along with potentially other customers who didn't have the Open Plan facility.

Mr and Mrs H also again reiterated the facility would have been added if requested prior to the Open Plan withdrawal, but it wasn't brought to their attention. This despite them being (what they would hope) are exemplary customers for 60 years. They feel exceptional circumstances require exceptional solutions.

Mr and Mrs H pointed out Barclays Environmental, Social and Governance (ESG) report which talks about transforming and improving banking for every customer in the UK, treating customers fairly, and improve customer experiences.

Mr and Mrs H highlighted Barclays point here around customer detriment and putting customers back in the position they would have been if the issue hadn't occurred. And that the NAPA process ensures customer needs are met when existing products are "*amended or withdrawn*."

Mr and Mrs H asked that I take an objective view and restore my initial, first provisional decision.

Mr and Mrs H said they would review their accounts to see how they can make things work for them and might end up closing their current account which they have held since they were first married. They suggested there might be an alternative solution available. I think Mr and Mrs H may wish to talk directly with Barclays about this in the hope of reaching an amicable conclusion on the use of their accounts going forward.

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've suggested Mr and Mrs H speak directly to Barclays about an amicable solution around the ongoing use of their accounts as this isn't part of the original complaint. As some of the individual accounts weren't part of this complaint those can't be discussed here either. I did put a potential prompt in the responses to my first provisional decision in the hope the parties could find a resolution but that doesn't appear to have happened. In view of how strongly Mr and Mrs H feel about this and the need for all parties to be clear I don't think it would help trying to discuss this with this service involved as a third party. I think that's likely to complicate matters, hopefully a way of using the accounts that works for all parties moving forward can be found directly between Barclays and Mr and Mrs H.

I understand Mr and Mrs H felt Barclays were potentially bringing up new information around the NAPA. But I don't think it is. I think Barclays accepted that it needed to produce solid further evidence to show why it couldn't carry out what I requested of it in my initial findings.

Either way Mr and Mrs H have made a point of going into great detail on the factors they think are key and highlighted these very distinctly in their response. There's nothing they say that I would wish to find any issue with. But I wouldn't have changed my initial decision if it was possible to carry out the actions around the facility and reinstating it.

I only changed my first provisional decision as Barclays can't carry out the request. To maintain my first provisional decision would be pointless and futile. It would leave Mr and Mrs H with a decision that couldn't be actioned. That would be even more unsatisfactory than the position they find themselves in now.

I agree that's frustrating, disappointing, and seems to go against much of the ESG report highlighted above by Mr and Mrs H. But these are wider points that Mr and Mrs H would

need to take up with the regulator The Financial Conduct Authority (FCA) rather than something I can use in this decision. Barclays simply can't do what Mr and Mrs H want.

But even though I had to change the outcome I did continue to uphold Mr and Mrs H's complaint and instead ask Barclays to financially compensate them further. There's nothing in the responses from Mr and Mrs H that makes me feel the extra amount of compensation needs to be changed.

Based on the responses there is no need to change the second provisional decision. So, the second provisional decision becomes my final decision.

Putting things right

- Pay an additional £150 compensation for the distress and inconvenience caused.

My final decision

I uphold this complaint.

I require Barclays Bank UK PLC to:

- Pay an additional £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 7 April 2025.

John Quinlan
Ombudsman