

## **The complaint**

Mr J says that Barclays Bank UK PLC were wrong to recall direct debit payments. He says that led him to incur interest and charges for late payment of his credit card bill.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 think Barclays are likely to have made a mistake here and they should put things right for Mr J. But I'm not asking them to refund all of the interest and charges Mr J has incurred, I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've seen a report from Mr J's credit card provider. Our investigator hasn't been able to share that report with Barclays. He told them that was because it may contain commercially sensitive information, but he did explain that it persuaded him that it was likely Barclays and not Mr J's credit card provider (who I'll call 'H') recalled the direct debits.

The information from H explains says that the direct debit was reversed due to 'R02 report' and it's my understanding that's a standard BACS return code that means 'Account closed'. It seems that code would usually be generated by the paying bank, Barclays here, and I'm supported in that finding because the report from H also explains it's 'Non-H (my edit) cancelled Direct Debit.' It, therefore, seems likely to me that the payments were reversed by Barclays rather than H and as Mr J has evidenced, he had sufficient money in his Barclays account to make the payments to his credit card, I think he incurred late payment charges and fees because of those mistakes.

Barclays should, therefore, refund interest of £71.28 incurred as a result of the January reversal and £1.92 incurred as a result of the second reversal. If Mr J can evidence that he received any late payment charges as a result of missing those two payments, Barclays should also refund those. Mr J's credit account remained in arrears regardless of these charges so I don't think it would be fair for Barclays to refund any more in interest or charges.

Mr J has been inconvenienced by these issues. He's had to escalate his complaint to this service to get an answer when I think it could have been resolved much earlier. In the circumstances, I'm asking Barclays to pay him £100 in compensation.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell Barclays Bank UK PLC to:

- Refund interest of £71.28 incurred as a result of the January reversal and £1.92 incurred as a result of the second reversal. If Mr J can evidence that he received any late payment charges as a result of missing those two payments, Barclays should also refund those.
- Pay Mr J £100 to compensate him for the distress and inconvenience he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 June 2025.

Phillip McMahon  
**Ombudsman**