

The complaint

Mr C complains Barclays Bank UK PLC allowed transactions to be made from his account when he didn't have enough money.

What happened

There was an IT outage at Barclays over the weekend of 31 January to 2 February 2025. During this time Mr C's mobile app wasn't updating and was showing an incorrect balance.

Mr C spent money on his card, and this didn't reduce the balance showing on his app. Barclays also allowed Mr C to spend more money than he had available in credit and then his agreed overdraft of £100.

Mr C went over his overdraft limit, and a direct debit was returned unpaid. Mr C complained to Barclays, and it agreed to clear Mr C's overdraft and pay him £25.

Barclays then reviewed its complaints and realised it should have given Mr C referral rights to this service, so it wrote out to Mr C, giving a final response to his complaint.

Barclays said it upheld Mr C's complaint and felt the previous resolution was fair. Barclays said it should have logged a complaint, but didn't, and it paid Mr C a further £100 to compensate for this.

Unhappy with this response, Mr C brought his complaint to this service. An investigator looked into things but thought Barclays had already done enough to resolve Mr C's complaint.

The investigator said they understood Mr C was worried about fraud, and his balance didn't update, so he could spend more money than he should have been able to. But the investigator thought the repayment of the overdrawn balance, and the £125 was fair.

Mr C disagreed and said there was money still leaving his account on the Monday. Mr C said he thought the outage was an issue with the app. Mr C said Barclays was paying people between £100 and £600 to compensate for their issues.

Mr C felt the compensation he'd been paid showed Barclays didn't care enough about his custom. Mr C asked for an ombudsman to decide things.

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.

The IT outage at Barclays appears to have affected customers in different ways, some could

use their cards, some couldn't, some could transfer, others couldn't, and for some people their balance wasn't updating in the app.

I'm satisfied Mr C's app wasn't working well, and his available balance wasn't reducing when he spent on his card. Because of this, I think Mr C was affected by Barclays' IT outage.

Mr C took cash out of his Barclays account and spent money on his card, and this seems to be his usual day to day spending. I'm satisfied Mr C had benefit of the money he spent, and this is even though I agree Mr C was able to spend more money than was in his account.

Since Mr C had benefit of the money he spent, it wouldn't necessarily be fair for Barclays to refund this spending. But Barclays chose to do this in an effort to resolve things for Mr C. Barclays paid Mr C £123.29 to bring his account to zero, then paid a further £25.

Since I don't think Mr C had a financial loss, I have to consider the near £150 Barclays paid as compensation.

Mr C says he's been a previous victim of fraud, so seeing his account over its overdraft limit would have caused some distress. But this was fixed quite quickly by Barclays, Mr C's account was brought back to zero on 4 February 2025.

Mr C says payments were still debiting on Monday 3 February 2025, and I agree this happened. Card payments aren't always immediate, they often show a few days after being made, I think this is what happened here.

And this delay was compounded by Barclays' IT problems. But, overall, I'm satisfied it was only Mr C's spending being debited from his account, albeit a little later than usual.

Because Mr C went over his overdraft limit a direct debit was returned, but it seems this was successfully paid a few days later. Again, this was likely to be inconvenient for Mr C.

Barclays shouldn't have allowed Mr C to spend more money than he had available, so it's right it pays him something to compensate for this. I think the £148.29 Barclays paid Mr C is a fair amount to pay.

Mr C complained to Barclays on 4 February 2025, and it does seem to have resolved things for him by clearing his overdrawn balance and paying £25. But Barclays should have logged this as a proper complaint and sent a final response.

Barclays did this in April 2025, but I think it should have been sooner. Barclays paid Mr C a further £100 to apologise for this. I think this is a fair amount to pay.

Mr C feels Barclays don't value him as a customer because what he's been paid is lower than other awards. But I can't look at what other people are paid, I have to consider the individual impact on Mr C.

And looking at the impact, this was a worrying time for Mr C, he spent more money than he had and a payment was returned, and ultimately it was Barclays' error in allowing Mr C to spend money he didn't have.

But this impact was short lived, Mr C had been refunded by the Tuesday following the IT outage. And I don't think there was much impact of Barclays not logging a complaint, but it

paid compensation for this.

Overall, Mr C's been paid almost £250 in what I consider compensation for the distress and inconvenience of his app not updating and spending more money than he had.

In the specific circumstances of Mr C's complaint, I think this is a fair amount for Barclays to pay, and I won't be asking it to pay any more.

My final decision

My final decision is I uphold this complaint, Barclays made an error in allowing Mr C to spend more money than he had, but I think it's already fairly compensated Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 July 2025.

Chris Russ
Ombudsman