

The complaint

Mr M and Mrs M (M) are business partners (the Partnership). The Partnership complains about the decision by Barclays Bank UK PLC to withdraw an overdraft facility and the service received thereafter.

What happened

The background to this complaint is well-known to the parties and have been set out in correspondence with this Service, so I won't repeat them here in detail.

The Partnership complained to Barclays about its decision to withdraw a £20,000 overdraft facility and the service received thereafter. Although it didn't change the decision to withdraw the overdraft, Barclays ultimately recognised there were service failings resulting in agreed call backs and phone appointments being missed. It apologised and offered £200 pounds compensation for the distress and inconvenience caused and £40 as a gesture of goodwill to cover additional overdraft charges incurred.

The Partnership brought their complaint to this Service for an independent review. They say the decision to remove the overdraft facility was without notice, consultation or explanation. Further, the poor service after the overdraft had been withdrawn caused additional stress and disruption. To put things right, they want the overdraft to be reinstated, the decision to be explained and compensation for the impact and service received.

An Investigator reviewed matters and thought Barclays had acted fairly and reasonably in withdrawing the overdraft. However, he didn't agree the compensation offered by Barclays for the service failings was sufficient to put things right. The Investigator recommended it was increased to a total of £300 in addition to the £40 offered for additional charges.

After further correspondence with Barclays, it accepted the Investigators recommendation to increase the compensation. The Partnership didn't accept the Investigators view and raised several points in response. The Investigator explained why these points didn't change his view. As the Partnership remained unhappy with this outcome, the matter was passed to me for a 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 recognise I've summarised this complaint in less detail than the parties using my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this, and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've carefully considered all of the submissions before arriving at my decision. And I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair

outcome. Having done so, I'm upholding part of this complaint in so far as it relates to the increased compensation for poor service.

My role here is to decide whether Barclays appropriately applied the terms and conditions when withdrawing the Partnerships overdraft. Based on what I've seen, I'm satisfied it has.

The terms and conditions set out the following relevant terms.

'We'll give you at least 30 days' notice for changes to your overdraft.'

'Overdrafts are repayable on demand. This means we can ask for immediate repayment although we'll usually give you advance notice for any arranged overdraft.'

I've thought carefully about whether Barclays made an error in applying the terms and conditions in this matter. And I'm satisfied it didn't. I say this for the following reasons.

- The terms and conditions state an overdraft can be withdrawn at any time, on 30 days' notice. Barclays gave 60 days' notice of the withdrawal on 8 May to take effect on 8 July.
- This was a commercial decision available to Barclays - it isn't required to give reasons for this.
- Whilst the Partnership said it didn't see the notice of withdrawal until after the facility had been removed, I haven't seen any evidence to suggest the notice wasn't validly sent. It was also visible to the Partnership online.
- Barclays made numerous attempts to contact the Partnership by phone and email before issuing the notice, across a three-week period. Whilst those calls and emails didn't state they were about the withdrawal of the overdraft, the Partnership was aware the bank was actively trying to get in contact with them. However, they didn't get in touch with Barclays until late July – after the overdraft had been withdrawn and a direct debit had been returned.

I recognise the Partnership feels the entire situation is unfair – it has been a long-standing customer of Barclays and more should've been done throughout this process by Barclays. But this isn't what the policy terms require it to do, nor do they require the bank to provide reasons for its decision. And I don't consider these terms to be unusual or unreasonable.

Taking everything into account, I don't require Barclays to do anything differently.

Notwithstanding all the above, it's clear the service provided by Barclays after the overdraft had been withdrawn fell below the standard the Partnership was entitled to reasonably expect. For example, calls weren't returned and phone appointments were missed. I've read the explanation for some of these failings and, whilst this provides some context, it's clear distress and inconvenience were caused to the Partnership. It doesn't follow this would've changed the decision to withdraw the overdraft, but it is appropriate for the impact of these failings to be recognised by Barclays. To put this right, Barclays apologised and has agreed to pay a total of £340 to the Partnership. I'm satisfied this is an appropriate way to recognise the impact in this matter.

I acknowledge the Partnership will be disappointed with this outcome. But my decision ends what we can do for the Partnership in seeking to resolve this dispute with Barclays.

Putting things right

To put things right, Barclays Bank UK PLC needs to pay £340 to the Partnership.

My final decision

For the reasons set out above, my final decision is I uphold this complaint in so far as I require Barclays Bank UK PLC to pay a total compensatory amount to the Partnership of £340.

Under the rules of the Financial Ombudsman Service, I'm required to ask M, for and on behalf of the Partnership, to accept or reject my decision before 2 September 2025.

Rebecca Ellis
Ombudsman