

The complaint

Mr G complains about the service provided by Barclays Bank UK Plc (Barclays) when he called to appeal the removal of his overdraft.

What happened

Barclays wrote to Mr G in December 2024 to advise they were removing his overdraft facility. As Mr G wanted to keep his overdraft, he called to discuss this with Barclays.

Mr G complained about the way the call was handled and his overdraft being removed. Barclays upheld Mr G's complaint about the phone call interaction and paid him £20 compensation in recognition of the upset caused. And after considering Mr G's appeal, they agreed to reduce his overdraft limit from £2,000 to £1,000, instead of removing it completely.

Unhappy with Barclay's response, Mr G referred his complaint to this service. In summary, he said the call upset him, so would like a higher compensation payment to reflect the impact caused. As well as his overdraft reinstated.

Our Investigator reviewed matters and said Barclays hadn't done anything wrong by reducing his overdraft limit, but found the service provided to be poor. They said Barclays refused to log a complaint when they should've and used accusatory language and long periods of silence throughout the call, which they considered to be unprofessional. To reflect the upset caused by this, our Investigator thought Barclays should increase their compensation offer to £100.

Barclays agreed to our Investigator's recommendation, but Mr G didn't. In summary, he said Barclays made incorrect statements, including reference to him having holidays, and didn't answer his questions to allow him to understand why he could no longer have an overdraft. And this, in addition to the use of silence was extremely upsetting. Mr G also said the removal of his overdraft has caused him stress, as he no longer has a safety net for any unexpected life events. He believes if someone else had taken his call he would've received a more favourable outcome to his overdraft appeal.

As no agreement has been reached, the matter has been passed to me to decide.

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 it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a reasonable outcome is.

In considering what is fair and reasonable, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

The terms and conditions of Mr G's account allow Barclays to remove his arranged overdraft facility at any time, for any reason. They also say Mr G will be given at least 30 days' notice to such changes, unless the reason for the change allows them to do this immediately.

In Mr G's case, Barclays wrote to him in December 2024, providing 30 days' notice of their intention to remove his overdraft facility. They explained Mr G hadn't used his overdraft for some time and based on his income and outgoings, his limit may have been higher than they would've offered had he applied for an overdraft then. The letter gave Mr G the option to have the decision reconsidered if he provided up to date information regarding his income.

Based on the above, I'm unable to agree Barclays acted unfairly when making changes to Mr G's credit limit. They notified Mr G in advance in line with the terms and conditions of his account and allowed him the opportunity to appeal.

I'm aware Mr G has said his overdraft has been removed and this has caused him stress and worry that when his balance nears zero, he'll have no safety net should an unexpected life event occur. However, I note following his appeal, Barclays made the decision to reduce his overdraft limit to £1,000, rather than remove it completely. Having considered that it wasn't removed, I can't see that the impact he describes has occurred.

I can understand that Mr G may have wanted to retain his £2,000 overdraft limit, but generally it's for Barclays to decide how much they will lend their consumers. So, I can't say they've done anything wrong here.

It's not disputed that Mr G wasn't treated fairly by Barclays when he called to appeal the removal of his overdraft. As this service is not the regulator, I cannot fine or punish Barclays for this. But I can consider the impact caused to Mr G – so this is what I've thought about.

I accept that Mr G was caused upset by Barclays' handling of his call, specifically by being called argumentative, long periods of what seems to be intentional silence and being denied his right to complain. And while I'm satisfied Barclays clarified their mention of "holidays" was said generally, I do think more could've been said to reassure Mr G that this was simply said in error and had no bearing on his overdraft appeal. Having considered all of the above, I'm satisfied £100 compensation fairly reflects the short-term impact caused.

I don't agree the information Barclays asked Mr G for in relation to his income was unreasonable, or that he adequately answered these questions. And there's no evidence to substantiate Mr G's claim that the call resulted in a less favourable outcome of his overdraft appeal. So, in the absence of any evidence to support financial detriment, I can't agree that Barclays should increase the compensation to a higher amount.

I'm aware Barclays has already paid Mr G £20, it did so on 31 December 2024. So, I think a further £80, to make the total to £100 compensation is a fair resolution to this complaint.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and direct Barclays Bank UK Plc to pay Mr G a further £80 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 July 2025.

Nicola Bastin
Ombudsman