

## **The complaint**

Miss M complains Barclays Bank UK PLC's IT outage meant she overspent and went into an unarranged overdraft.

## **What happened**

There was an IT outage at Barclays over the weekend of 31 January to 2 February 2025. Miss M received a payment of £900 on 31 January 2025, and she transferred some money to another one of her accounts, paid some other people, took cash and spent on her card.

Miss M's balance wasn't updating and when the IT outage was fixed she was almost £450 overdrawn, and Miss M doesn't have an agreed overdraft.

Miss M complained to Barclays and it paid her £150 to compensate her for the inconvenience and felt the complaint was resolved.

Miss M disagreed and brought her complaint to this service. An investigator looked into things but didn't think Miss M's complaint should be upheld.

The investigator said Miss M had moved £856 into her account at another bank, made transfers to other people and made cash withdrawals and this totalled more than the £900 she'd been paid.

The investigator also said Miss M had been told a number of times by Barclays she didn't have enough money to complete transactions, but still tried to make large transfers and successfully took money out, despite being overdrawn.

Miss M disputed some of the card transactions over the weekend, and the investigator said Barclays had refunded these. Barclays had also moved the £150 Miss M was paid to her new account so she could access it.

The investigator thought the £150 was fair and Miss M needed to speak to Barclays to see if she could agree a repayment plan for the outstanding overdraft.

Miss M disagreed and said if the IT outage hadn't happened, she wouldn't be in the position she was, owing Barclays money.

Miss M 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.

I have no doubt the IT outage stopped Miss M's balance updating properly, this seems to be

one of the consistent issues customers of Barclays experienced during the outage.

And this lack of a correct balance would have been inconvenient for Miss M, as well as allowing her to spend more money than was in her account.

But I think I need to consider the way Miss M spent her money from Barclays. Looking at Miss M's statements, she moved the majority of the money she received to another account in her name.

This means I think Miss M's had a definite benefit of this money, it's been moved somewhere else but still under her control. The payments to Miss M's other account totalled £756, she'd moved £100 back to Barclays.

Miss M also paid out £114 to other people and took £300 in cash from a machine.

Just these payments alone amount to £1,170. Miss M had less than 50 pence in her account prior to the £900 credit, so I think Miss M should have been aware she'd moved or accessed more money than she'd been paid.

On top of these transactions there were quite a few card transactions, mostly in line with Miss M's usual spending. So, I think Miss M had access to the money she was paid, but also should have known she'd spent or moved more than she received.

In Miss M's specific circumstances, I think it's fair she repays the overdraft on her account, because I'm satisfied Miss M had access to the money she moved and got cash.

Miss M disputed some payments and was given a credit, which Barclays then took back. Barclays credited Miss M again and let her take this credit as cash in a branch. Barclays has said it isn't going to take this money back, it's written these payments off.

I think Barclays has been more than fair here, it probably shouldn't have allowed Miss M access to the refunds. The payments she made were part of the reason she was overdrawn, so the refund should have been used to reduce Miss M's overdrawn balance.

Again, I think it's fair Miss M repay this part of her overdraft too.

Miss M says it was inconvenient for her to open a new account and move her payments over. I agree this would have been inconvenient, but Miss M had to do this because she was overdrawn on her old account.

I don't think it's entirely Barclays' fault Miss M went overdrawn, so I don't think I can fairly hold it responsible for any inconvenience caused by having to open a new account.

Miss M says if the IT outage hadn't happened she wouldn't be in this situation, and to an extent I agree. The IT outage allowed Miss M to use more money than she should have been able to, but I also think Miss M should have been more aware of her spending.

I don't think I can hold Barclays responsible for all the inconvenience Miss M experienced, but I agree it made an error with the IT outage, this shouldn't have happened.

So it's right for Barclays to compensate Miss M and I think the £150 it's already paid is a fair amount to pay. And it's also right Barclays moved this £150 from Miss M's overdrawn account to one she could use.

Unless Miss M agrees, compensation shouldn't be used to reduce a debt she owes, so Barclays was right to give Miss M access to her compensation.

Miss M still owes Barclays her overdrawn balance, and it appears she's not in a position to pay this off in a single payment.

Again, Barclays has to bear some responsibility for allowing Miss M to take more money than she had, so I think it needs to work with Miss M in agreeing a repayment plan.

I can't direct Miss M to agree a repayment plan with Barclays, but I'd recommend she speak to Barclays and let it know her income and what her expenditure is, to see if an affordable repayment plan can be agreed.

Miss M has a basic bank account, and ordinarily she shouldn't be able to go overdrawn on this type of account. Because of this, it seems Barclays isn't charging Miss M any interest or charges, and this seems very fair.

Overall, I think Barclays has treated Miss M fairly, allowing her to access money in her old account even though she's overdrawn and not taking more formal action to recover her debt.

I'd encourage both Miss M and Barclays to reach a reasonable agreement on a monthly amount to repay the debt and avoid formal action, the overdrawn balance is, in part, Barclays' fault.

But I think it's only in part, so in the specific circumstances of Miss M's complaint, and her spending, I think Barclays' payment of £150 in compensation is fair and I won't be telling it to pay anymore or do anything else to resolve things.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 August 2025.

Chris Russ  
**Ombudsman**