

The complaint

Mr B complains Barclays Bank UK PLC allowed him to spend more money than he had.

What happened

Barclays had an IT outage, and Mr B was able to spend more money than was in his account. Mr B complained to Barclays and spoke to it over the phone where he was offered £100 to compensate for the inconvenience of the outage.

Mr B then called back, he'd reflected on the amount he'd been paid and didn't feel £100 was enough to fairly compensate him for the inconvenience or the time he'd spent on things.

Barclays wouldn't increase its offer, so Mr B brought his complaint to this service.

An investigator looked into things but thought Barclays' offer was fair. The investigator said Mr B had spent the money he was overdrawn by, so it was fair he paid it back. The investigator said Barclays should offer Mr B a three-month interest free repayment plan.

Mr B disagreed and said he hadn't been properly compensated for the inconvenience the outage caused, although he'd previously agreed he had to repay the money.

Mr B asked for an ombudsman to decide things.

My provisional decision

I thought Barclays needed to do more to resolve things, so I sent a provisional decision, and in it I said:

Mr B had a balance of just over £1 on 30 January 2025. Mr B then received his salary of around £2,200 and some further payments in totalling £710.

Mr B then paid his bills and made several card payments to gambling companies.

Mr B's balance didn't update, and he was able to authorise further card payments to gambling companies without having enough money to cover them.

I think this was a direct result of Barclays' IT issues. Mr B doesn't have an overdraft and shouldn't have been able to spend more money than he had.

Mr B, in a later call, says he struggles with gambling at times, so I think there's an underlying issue with Mr B and a compulsion to spend. But, looking at previous months, Mr B hasn't spent more money than he has in his account.

I don't think Barclays should have allowed Mr B to spend more money than he had. And I don't think Barclays should have allowed Mr B to spend more money in a potentially harmful

way by allowing his compulsion to spend putting him overdrawn.

But, Mr B spent the money and it's fair he repays it, and Mr B accepts this in calls to Barclays about his complaint.

When Mr B tried to speak to Barclays and log his complaint he spent around eight hours on hold, which is a long time. I accept there were a lot of people calling Barclays at the time, it had an IT outage, but it's still a long time to spend on the phone.

I think Barclays' payment of £100 was fair to compensate for the wait Mr B had, but I don't think it fully compensates Mr B for the distress and inconvenience he experienced due to his overspending, which in part is Barclays' fault.

Mr B went over £350 overdrawn, but I don't think Barclays needs to write off this overdrawn balance. I think it's fair Mr B repay this amount, and like the investigator said, if a reasonable repayment plan can be agreed Barclays shouldn't charge interest.

I think an interest free repayment plan over three or six months would be a fair amount of time for Mr B to repay this debt. But, the repayment plan needs to be affordable, so I think Mr B needs to engage with Barclays and let it know his income and outgoings.

Mr B's said Barclays didn't agree a repayment plan even though he was willing to repay. Barclays has said it needs to know Mr B can afford the repayment plan, and I think this is a fair position for it to take.

I can't compel Mr B to engage with Barclays, but if he doesn't it might be fair for Barclays to take other action to recover this debt, such as defaulting the account.

I'd encourage Mr B to reach out to Barclays, let it know his income and outgoings, and hopefully arrange a reasonable repayment plan.

But this is further inconvenience for Mr B, on top of the distress of being able to spend more money than he had. I think a further payment of £200 is fair in the circumstances.

Mr B can choose what he does with this £200, use it to partly repay the debt or receive the money into the savings account Barclays recently opened for him.

Mr B said the £100 Barclays previously paid him wasn't accessible, but I don't agree. It seems the £100 was paid to the savings account, and Mr B was able to access it, albeit not until March, but I think Mr B could access this money.

And Mr B said he should be paid his hourly wage for the time he spent trying to sort things out, but this isn't always fair. My direction of a further £200 is what I think is fair and compensates for the individual impact on Mr B, not what he might have been paid.

Mr B also said he needed to organise alternatives for receiving his salary going forward, as his Barclays account was overdrawn. But, if Mr B had entered into an arrangement to repay the debt with Barclays, this might have been avoided.

And Mr B might want to look into a card block or some external help for his compulsion to spend, again Mr B might want to speak to Barclays about this or look online for some support available to him.

Responses to my provisional decision

Mr B didn't respond to my provisional decision.

Barclays responded to say Mr B should be responsible for his own spending. Barclays said Mr B spent a long time on hold, but not as long as I'd said in my provisional decision.

Barclays said Mr B was waiting to be connected for three hours on 3 February 2025, but didn't get through. The next day Mr B was on a call for four hours, but this was in conversation with Barclays, discussing the plan and logging the complaint.

Barclays also said it had no record of Mr B having a problem with gambling.

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 agree Barclays wasn't aware Mr B had a problem with gambling prior to the IT outage or his complaint call. But I don't think this means Barclays isn't responsible for placing Mr B in a position where he could spend harmfully.

The IT outage allowed Mr B to spend more money than he had in his account.

Mr B doesn't appear to have gone overdrawn previously, but has gambled. It seems Mr B's gambling was limited before, and it was limited by Barclays not allowing Mr B to spend more money than he had in his account.

During the IT outage this didn't happen, Mr B was able to spend more money than he had, and this has caused him harm.

I accept Mr B should repay what he spent, and Mr B's said the same in calls to Barclays. But I don't think Barclays should have placed Mr B in a position where he was able to compulsively spend and go overdrawn.

And I think it was Barclays' error which placed Mr B in this position.

I'd likely reach the same outcome had Mr B spent significantly more money, the compensation I'm awarding isn't linked to the amount Mr B spent, it's linked to the harm in allowing Mr B to compulsively spend when he shouldn't have been able to.

Barclays has said Mr B spent much less time on hold than I said, and I accept this. And I think both Barclays and I are in agreement Mr B spent too long on the phone, and the £100 to compensate for this is fair.

But I haven't changed my mind after Barclays' response, I still think a payment of a further £200, to compensate for Mr B being able to spend more money than he had, is fair.

And since Mr B didn't respond I haven't changed my mind because of anything he's said.

My final decision

My final decision is I uphold this complaint and Barclays Bank UK PLC should pay Mr B a further £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 21 August 2025.

Chris Russ
Ombudsman