

The complaint

Miss C complains Barclays Bank UK PLC wouldn't raise a direct debit guarantee claim for her without providing additional information which was discriminatory. She also complains about the handling of her claim.

What happened

Miss C has an account with Barclays.

In January 2025 Miss C contacted Barclays saying that she wanted to make a direct debit guarantee claim in relation to a car finance agreement. Miss C says that her claim wasn't handled well — she didn't receive letters she was told she was sent and had to go into branch, for example — and that she was eventually told that she'd have to ask the car finance company for a letter accepting that there had been a fault. Miss C was unhappy with the idea that she had to be the one gathering the evidence and unhappy with Barclays not raising the claim unless she provided additional information. She says she offered to supply Barclays with a copy of her finance agreement — which would show she'd been charged the wrong amount — but was told this wouldn't be good enough. She ended up complaining to Barclays.

Barclays looked into Miss C's complaint and said that it had asked for additional information because it has a responsibility to make sure any refunds it provides are correct. Miss C was unhappy with Barclays' response and complained to our service saying that Barclays was discriminating against her because it ought to be raising a claim but wasn't doing so automatically.

One of our investigators looked into Miss C's complaint and said that they didn't think Barclays had acted unfairly as direct debit guarantee claims aren't automatic. Miss C disagreed and asked for her complaint to be referred to an ombudsman 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.

Last month I issued a provisional decision. In that decision I said I was minded to uphold Miss C's complaint and award her £250. I explained why as follows:

"I can see that Miss C made a claim under the direct debit guarantee scheme in January 2025 for payments that had been sent to a motor finance company. The first payment she claimed was from January 2020 and she was claiming four years' worth of payments. I can see that this isn't the only direct debit guarantee claim that Miss C has made. I do, however, agree with our investigator that where a direct debit guarantee claim is in relation to payments that have happened a considerable time ago then we'd expect a business to carry out some additional checks to make sure the scheme is being used as intended. That's because a business might, for example, wonder why their customer hadn't spotted the error they're complaining about earlier,

especially where they've made a large number of payments. I don't, therefore, think it was unfair or unreasonable of Barclays to ask Miss C to send in additional information and I'm satisfied that this is also in line with its approach to, for example, older claims. In other words, this wasn't a decision Barclays took that it wouldn't have taken in relation to other customers with similar claims. I wanted to mention that because I can see Miss C feels she's been unfairly singled out for some reason or, as she puts it, discriminated against. But that doesn't mean I necessarily agree Barclays has done nothing wrong. I think it has, and I'll explain why.

Miss C has told us that she offered to send Barclays a copy of her car finance agreement when it asked for additional information. She's also told us that Barclays said her agreement didn't fit its criteria. In other words, she's told us that Barclays rejected her evidence without even seeing it. Miss C has explained to us that the agreement will show she agreed to pay a different amount to the amount that was taken from her account. In other words, that there was an error with the amount of her direct debit. If she's right, then I can see why Barclays rejecting it wouldn't have felt fair. We've asked Miss C to send us a copy of her car finance agreement — our investigator did and so have I. To date she hasn't done so, but I'm happy to consider it should she do so in response to this provisional decision. But I do think Barclays should have at least taken her up on her offer, or taken time to understand why the agreement might be relevant. Again, I'll explain why.

I've spoken to Miss C on a couple of occasions about this complaint and having done so I'm satisfied that she believes she's overpaid her car finance company. I'm also satisfied that she tried to raise that with them and having received no response decided her best course of action was to claim all of the payments she made back by raising a direct debit guarantee claim through Barclays. I've explained to Miss C that she could complain to her car finance company and bring that complaint to us and claim any overpayment back that way. I've also explained that this might be a more appropriate way to go about resolving her issue with the car finance company as a claim under the direct debit guarantee — if successful — would result in all of her payments being refunded and not just any overpayment. That could have unintended consequences and in itself can be a reason for a bank not to go ahead and made a claim under the guarantee."

Both parties were invited to respond to my provisional decision. Barclays accepted what I said. Miss C didn't respond and still hasn't sent us a copy of her car finance agreement – a document we've now asked for on a number of occasions.

Putting things right

Having re-considered all of the evidence, I'm satisfied that this complaint should be upheld for the reasons I set out in my provisional decision and in the way I said. I'm, therefore, going to require Barclays to pay Miss C £250 in compensation in full and final settlement. Miss C is welcome to complain to the finance company involved and to bring a complaint to us about them if she's unhappy with their response.

My final decision

My final decision is that I'm upholding this complaint in part and require Barclays Bank UK PLC to pay Miss C £250 in compensation for the unnecessary distress and inconvenience its handling of her claim has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 2 October 2025.

Nicolas Atkinson
Ombudsman