

The complaint

Mr L complains Barclays Bank UK PLC's IT outage allowed him to go overdrawn and then payment plans he agreed failed, causing further inconvenience.

What happened

Barclays had an IT outage, and this allowed Mr L to spend more money than he had in his account. Mr L went overdrawn and agreed a repayment plan with Barclays.

The first plan failed, and Barclays said it failed because of its error. Barclays paid Mr L £400 to compensate for this.

A second plan was put in place, but this plan also failed. Barclays said some of its messages around the plan, and reducing overdrafts, was unclear so it paid Mr L a further £300.

Mr L didn't feel the compensation payment was enough, so he brought his complaint to this service.

Mr L said he'd had poor service and felt Barclays had discriminated against him because of his disability and shouldn't have allowed him to take money he didn't have.

An investigator looked into things but felt the £700 Barclays had paid was fair in the circumstances.

The investigator said Mr L shouldn't have been allowed to take more money than was in his account and felt one of the calls from Barclays sounded like Mr L was being blamed.

The investigator thought Mr L had been impacted by the IT outage, but also spent money he didn't have, so it was fair to pay it back.

The investigator thought the plans had been carefully explained to Mr L, with lots of information and confirmation he was happy to go ahead with them.

But the investigator also thought some of the other calls Mr L had were poor, especially when his plan broke.

And the investigator thought it might have been easier for Barclays to just repay Mr L's overdraft when it paid him £400, this might have stopped further problems.

The investigator also thought some of the information around the second failed plan was poor, including telling Mr L to go to a branch to take money out.

But, even considering this poor service, the further £300 paid was fair, and the investigator thought the total of £700 was reasonable to compensate Mr L for all the problems he'd had with Barclays.

Mr L disagreed and said he wanted an ombudsman to decide his complaint.

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.

There was an IT outage over the weekend of 31 January to 2 February 2025. It's clear this outage had an impact on Mr L, he was able to make payments out of his account without the money to cover them.

I think this is Barclays' fault, it shouldn't have let Mr L go overdrawn.

But Mr L had benefit of the money, I can see he took £250 in cash from a machine, and spent around £175 in shops. This put Mr L around £425 overdrawn.

Since Mr L had the benefit of the money, I think the starting point is it's fair he repays the money. But I also think it's fair Mr L's given time to repay the balance.

In the first call Mr L made, to set up a plan, I think the plan was carefully explained to him, with lots of checking he understood, and was even offered a new, basic account to receive his income into.

The person at Barclays also checked Mr L had some support in place. I think this call was handled well, even considering the cognitive impairment Mr L has.

But payment plans can be confusing, it seems Barclays was looking to slowly reduce Mr L's overdraft, at £70 a month, so Mr L had to leave this money in the account.

Looking at how Mr L runs his accounts, he tends to spend what's there, so I think the payment plan was always likely to fail.

The plan did fail in March 2025, Mr L didn't leave enough money in his account, but I don't think this was his fault. I think Mr L simply spent the money in his account as he always did.

When the plan failed, Barclays set up a new one and paid Mr L £400, to compensate for the IT outage and the plan failing.

At this point, I think Barclays should have just paid off the overdrawn balance on Mr L's account and removed the overdraft. I think it should have been clear Mr L would struggle to keep to another plan.

I realise a compensation is generally not used to pay off a debt, it would normally be for Mr L to spend as he sees fit. But, in Mr L's specific circumstances, I think Barclays should have taken a different approach.

Barclays set up a new plan, and again this failed. Mr L also needed to take cash out which wasn't available to him, and to do this he was told to go to branch.

I don't think it was entirely clear to Barclays Mr L would struggle as much as he did to get to branch, so I don't think it was entirely unreasonable of Barclays to tell Mr L to go to a branch.

But this could also have all been avoided if Barclays had repaid the overdrawn balance with the £400 payment and simply allowed Mr L to go forward in credit on his account.

I think it's fair Barclays paid Mr L more compensation, another £300, as I think Barclays could have supported Mr L a little more than it did.

Mr L feels this lack of support and poor service goes beyond this, and he feels he was discriminated against on the basis of his disability.

I can understand why Mr L feels this way, and I don't think Barclays quite appreciated how its poor service would make Mr L feel.

It's fair Barclays compensates Mr L, and I've carefully considered what Mr L's said about how he deals with his banking, his struggles with his mental and physical health and his cognitive impairment.

And having done this, I think the £700 Barclays has already paid Mr L is enough to compensate him for allowing him to access more money in his account and the payment plans, their failures and the poor service and how this made Mr L feel.

I think £700 is in line with our compensation guidelines, I think Barclays' error caused considerable distress and inconvenience for Mr L.

The impact lasted for several weeks, and it took some effort from Mr L to sort things out.

This fits within our awards up to £750, and Mr L was paid £700 in total.

I can understand Mr L's strength of feeling here, what happened was clearly very distressing for Mr L, but I think Barclays has already fairly compensated him.

My final decision

My final decision is I uphold this complaint, but I think the £700 Barclays Bank UK PLC has already paid Mr L is fair in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 January 2026.

Chris Russ
Ombudsman