

The complaint

Mr T complains Barclays Bank UK PLC has rejected several card payments over the years. He says this is because it had recorded his postcode incorrectly.

What happened

Mr T has an account with Barclays with a debit card – he’s been a customer for many years.

In October 2025 Mr T tried to use his debit card to pay for his car insurance but his payment was rejected. He says his insurer told him that there was a problem with his postcode, so he called the fraud team at Barclays. He was told to go into branch. He says the agent he spoke to in the branch was able to correct his postcode. In the meantime, he complained.

Mr T says Barclays called him in relation to his complaint and offered him £70 in compensation for the distress and inconvenience he’d been caused. He says he told Barclays that this wasn’t enough. He says Barclays asked him what compensation he’d be happy with, and that he said £150 off the top of his head. He says Barclays agreed to pay £150 but then went ahead and closed his complaint even though he hadn’t agreed to this.

Mr T says he contacted Barclays – having thought about the matter further – to say he wanted an additional £250 in compensation. He says Barclays told him his complaint had already been closed so he’d have to refer his complaint to our service. He did so.

One of our investigators looked into Mr T’s complaint. Having done so, they didn’t recommend any additional compensation as they felt the £150 Barclays had offered was fair.

Mr T was unhappy with our investigator’s recommendation saying that £150 in compensation wasn’t enough as this problem had been going on for years. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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'm satisfied that Mr T originally complained to us about the problem he'd had paying for his car insurance in October 2025, the embarrassment this caused and the fact that he'd had to go into branch to get the issue resolved. Barclays has accepted that it could have fixed this problem – which was as a result of it having an out-of-date post code recorded for Mr T on its systems – without having to ask Mr T to go into branch. Barclays was right to do so. More importantly, I'm satisfied that the £150 compensation that Barclays agreed to pay, having spoken to Mr T about what he'd be happy to accept, was a fair amount to offer. I say that because I'm satisfied that this fairly reflects the inconvenience Mr T was put to when he went into branch – including paying for parking – and the embarrassment and inconvenience of having his car insurance payment rejected. Having listened to the call that Mr T had with the complaint handler at Barclays, I'm satisfied that Mr T took the inconvenience of going into branch and parking costs etc into account when suggesting £150 and that he said that he thought that figure covered everything. In addition, I'm satisfied that the complaint handler explained that they'd be closing Mr T's complaint on that basis.

I can see that this wasn't the first time that Mr T had problems paying for his car insurance. He'd had problems the year before and he'd also had problems paying for his home insurance. I've, therefore, considered these earlier problems too. Having done so, I'm not satisfied that the earlier problem Mr T had paying for his car insurance was down to Barclays having an out-of-date postcode recorded for him. I say that because I'm satisfied that Barclays blocked the payment because it was concerned it wasn't a genuine one given the activity on his account. Because of this, I don't agree that it would be fair to ask Barclays to pay compensation in relation to any distress or inconvenience these earlier problems may or may not have caused.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 7 May 2026.

Nicolas Atkinson
Ombudsman