

## The complaint

Mr I complains that Barclays Bank UK PLC didn't keep him informed about issues with his international transfer. As a result, he has lost over £1,000. He wants Barclays to pay compensation.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them in full here. However, I appreciate that the timeline is important in this case so I will outline the relevant times.

- On 15 August 2022 Mr I transferred £6,444.50 to a supplier abroad, the funds never arrived.
- On 6 June 2024 Barclays became aware that the funds were held by the US Office of Foreign Asset Control (OFAC).
- In Mid-September 2024 Mr I was told in branch that funds were held by OFAC.
- On 1 October 2024 Mr I contacted OFAC.
- On 5 September 2025 Barclays were told funds were made available by OFAC.
- On 19 September 2025 Barclays received the funds back from OFAC.
- On 25 September 2025 funds were returned to Mr I by Barclays. However, due to exchange rate fluctuations the amount returned was £1,000 less than the amount sent in 2022.

Mr I has said he was very frustrated and spent two years chasing Barclays trying to find where his money was. Barclays admitted their communication was poor and have offered Mr I £200 in compensation.

Mr I said he has suffered financial loss. Not just the £1,000 but he lost his first order and his business as a result. He had defaults on his credit file as he was relying on these funds. He experienced emotional stress and damage to his reputation. He closed his long-standing Barclays account in 2024.

Mr I has said that because of failure in communication from Barclays he was led to believe that his supplier was at fault and this damaged his relationship permanently. When our investigator reviewed the complaint, he thought Barclays hadn't caused any undue delays in the funds being returned to Mr I. He didn't think Barclays were responsible for the funds being held. He didn't think Barclays were liable for differences in the exchange rate.

Mr I was unhappy and he asked for an ombudsman decision.

As there was no agreement the matter has come to me to decide.

## **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.

### *Funds being held by OFAC*

Barclays sent the funds as per Mr I's instructions on 15 August 2022. The transfer was blocked by an intermediary bank due to sanctions by OFAC. This was outside of Barclays control.

Mr I has agreed that Barclays weren't responsible for the funds being held by OFAC.

So the main issue outstanding in this complaint is that Mr I believes £200 compensation offered by Barclays is not enough and that Barclays should be liable for the exchange rate difference.

### *Communication*

Mr I has said that Barclays never told him the payment was stopped because of OFAC, he found this out when he went into branch in September 2024.

Barclays were first made aware that the funds were being held by OFAC on 6 June 2024. Mr I says Barclays didn't pass this information to him and he found out when he went into branch in September that his funds were being held by OFAC and he needed to apply for a licence for them to be released. Mr I contacted OFAC on 1 October 2024. So, there appears to be a delay of three months in Barclays letting Mr I know about OFAC's involvement.

What Mr I seems to be saying is that he would have had access to his money sooner had he known he needed to contact OFAC sooner.

Barclays have accepted that they could have communicated with Mr I better and they have offered Mr I £200 in compensation. Mr I said this shows Barclays were responsible for him having to chase his money for two years and the loss of the £1,000 in exchange rate differences. But I disagree. Barclays provided Mr I with information regarding the payment they made following his instructions in August 2022. They also gave Mr I information about the swift payment details for him to make his own enquiries. This is what I would have expected Barclays to do.

Once Mr I was aware that OFAC were holding his money and he needed a licence for it to be released, he liaised with OFAC. Mr I himself has said he understands that Barclays isn't responsible for OFAC decisions. So, I don't think Barclays could have done anything more once Mr I applied for the licence. Mr I has said he expected Barclays to have helped him more as he was a long-standing customer, but I am satisfied Barclays weren't aware where his money was until 6 June 2024; and the licence application process is one that has to be carried out by the individual concerned not his bank. So, I don't think Barclays did anything wrong there.

Mr I is unhappy that Barclays told him the money had been sent. Barclays did tell Mr I that the money had been sent because they had carried out his instructions and sent the money on. So, I don't think they did anything wrong here. What Barclays didn't do was tell Mr I that they had found out where his money was in June 2024.

Barclays have admitted they were at fault in the way they handled communication to Mr I. Barclays have offered Mr I £200 compensation for this and I will leave it up to Mr I to follow this up with Barclays.

#### *Exchange rate loss and other financial losses*

Mr I said that not only has he suffered the loss of £1,000 through no fault of his own but his first business order and subsequently his business collapsed. He has also mentioned being unable to pay his bills and has defaults on his credit file. This has all resulted in a lot of stress and worry for him.

I accept that Barclays failed to communicate effectively with Mr I over the transfer, but they are not responsible for the exchange rate shortfall nor are they responsible for the loss of Mr I's first business order or the collapse of his business. Even if Barclays had been able to find out about the payment being held by OFAC sooner this would not have made the money available to Mr I, as it was being held by OFAC and Barclays couldn't do anything about that.

It's not possible to say what would have made the difference between Mr I's business succeeding or failing. But I suspect having £6,500 approximately held by OFAC was a contributing factor for which Barclays can't be held liable.

Mr I said that due to Barclays actions he has been unable to pay his bills and has defaults on his credit file. I am sorry to hear of the situation Mr I finds himself in but again, I can't hold Barclays liable for this as the money which Mr I says he was relying on and I suspect would have helped, was being held by OFAC and not Barclays.

In any event the loss of the £,1000 didn't materialise until the money was returned to Mr I in September 2025. So, this loss can't be responsible for his business collapse and the financial difficulties Mr I refers to, which happened much earlier.

And given how long the licence took to process and the funds to be released, which was almost one year, I can't be satisfied that Mr I's business losses would have been different. Therefore, his finances and business relationships would most likely be in a similar situation.

I've considered what might have happened if Barclays had chased the payment and found out that it was being held by OFAC and told Mr I. Mr I would still have had to contact OFAC for a licence to release the payment and this could still have taken between 6 and 12 months. At that point there would still have been an issue with the exchange rate. It's not clear what the exchange rate would have been and whether Mr I's funds once returned to him would still have been lower than what he sent in August 2022. That loss might well have been greater than £1,000 due to exchange rate fluctuations. In any event since Barclays aren't responsible for the funds being held by OFAC Barclays aren't responsible for the exchange rate difference which caused Mr I's payment to be lower when it was returned to him.

#### *Funds returned process*

I have seen evidence that Barclays was told the funds would be available for release on 4 September 2025. And Barclays received the funds on 19 September 2025. The funds were then paid to Mr I on 25 September 2025. Looking at the timeline, I'm satisfied that Barclays didn't cause any delay during the return process.

**My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 29 May 2026.

Esperanza Fuentes  
**Ombudsman**