

The complaint

Mr E complains that Barclays Bank UK PLC gave him incorrect information about how he could make a large payment and this led to financial loss and caused him inconvenience.

What happened

Mr E explains that on 9 July 2025 branch staff arranged to make a 'CHAPS' payment of £580,000 to his account at another financial business. But that he wasn't then told that this financial business didn't accept CHAPS payments. When he found that out, he gave branch staff a standing instruction to make the payment when the money was returned. But was then told that this couldn't be made in one amount but would be subject to a per payment limit of £50,000 with potential security checks on each. Mr E said he expected Barclays to correct the error and override any internal restrictions. But as it wouldn't do so he had to make multiple payments himself. During the delay he lost out on five per cent interest per annum on his money payable on the account at the other financial business. He calculated his interest loss at £797.45 from 9 July 2025 to the date the payment was completed. And he had to make more than one branch visit, send emails, and make calls about this and wanted £500 compensation.

Barclays said that it had refunded its CHAPS fee of £25 and offered Mr E £200 in compensation for the poor service. It said that it was sorry this payment didn't go through. But the fact that the other financial business didn't accept CHAPS payments was clearly detailed in information Mr E had later provided its complaints team about his account held there. The CHAPS payment had been sent on 9 July 2025 and returned on 11 July 2025. Barclays apologised for the incorrect information given about the ability to send the money by what had been described as 'standing order.' This wasn't possible and branch staff had been given feedback about this. It said that its daily transfer limits were set out in its terms and conditions and were to protect both customers and the bank. And wouldn't be lifted for Mr E. It explained that Mr E could send the money by faster payment amounts of up to £50,000 each or send a CHAPS payment to a different financial business. And that as the payment couldn't have been sent to the account he had wanted in one amount that it wouldn't be compensating Mr E for what he said was a loss of interest income. The compensation offered reflected the inconvenience and frustration caused to him.

Our investigator didn't recommend that Barclays do more than it had offered to do. He said that it was reasonably up to Mr E to provide viable payment instructions. And that he'd seen a screenshot of his account at the other financial business which included a note that the account couldn't receive CHAPS payments. Our investigator agreed that Mr E had been misinformed about the ability to send the full amount in a different way on 10 July 2025. He didn't think Barclays had made a mistake when it required Mr E to send the payment in amounts up to £50,000. And he noted that Mr E had sent the money over six days – using both his online banking and mobile banking logins to send up to £50,000 through each method daily including from abroad on 18 July 2025. There would always have been a restriction on how fast the money could be sent in this way. And taking this into account and the service issues he thought that the £200 compensation was reasonable.

Mr E didn't agree. He said that Barclays had a duty of care to him and ought to have told him

that this CHAPS payment couldn't be made. His losses and the impact of what happened were as a result foreseeable. Barclays gave him further incorrect information when he tried to remediate what happened. And it was unreasonable for it to rely on its internal policy which delayed things and caused further harm. He wanted reimbursement of his loss, appropriate compensation for distress and inconvenience and a written apology from Barclays acknowledging its procedural failings.

My provisional decision

I issued a provisional decision on 23 January 2026. I set out below what I said,

I first wanted to explain that this service isn't the regulator and we don't have a role in setting or reviewing the design of processes.

Barclays processed Mr E's CHAPS payment in line with his instructions on 9 July 2025. There was no restriction in the CHAPS system and its process about establishing a payment to the financial business he held his recipient account with. But that business doesn't accept CHAPS payments and this information was available to Mr E in his account information from the other business. It's a matter for Barclays to determine what checks are required and proportionate. While it would have been helpful if Barclays had been able to tell Mr E that this payment would be rejected, I didn't think it made a process error or acted unreasonably in not doing so here.

On 10 July 2025 once the position was known Mr E gave Barclays an authority letter to make the payment in full when the money was returned. And I noted from systems information that this instruction had been verified with identification and appropriate checks made.

There was no set timescale for the return of the failed CHAPS payment. But Mr E emailed branch staff after 5pm on Friday 11 July 2025 to say the money had been returned to his account and to make the transfer. I could see that on the next business day, 14 July 2025, he received an email from the branch then correctly stating that the payment could only be made in multiple amounts of up to £50,000 each or he could say issue a cheque. And I thought it's fairly a matter for Barclays to set payment limits based on its own security policies and decide whether these can be lifted.

Mr E didn't accept either option and spoke with the complaints team on 15 July 2025 and was given the offer of compensation still now available to him. As our investigator set out Mr E began making payments himself. The payments were from 16 July 2025 and completed on 21 July 2025. Mr E said he decided to start these payments in light of him receiving the final response letter in which Barclays said it wouldn't do more.

Financial loss

The position unfortunately is that Mr E could never have sent this large total payment to his other account in the way he wanted or it seems as fast as he wanted to. I needed to assess whether there is a loss due to an additional avoidable delay by Barclays.

I'd set out my assessment regarding the CHAPS payment. I didn't consider Barclays can fairly be responsible for loss here arising from incorrect payment instructions given by Mr E. But I thought it was reasonable that it refunded the £25 cost of a payment that was rejected.

Barclays clearly made an error on 10 July 2025 when it told Mr E it would send the full amount when the CHAPS payment was returned. That couldn't be done in branch in this way. I didn't consider though that Barclays should be required to compensate Mr E for his

loss of expectation based on incorrect information.

Mr E ought to have had the correct information on 10 July 2025. And been able to act on that starting on 11 July 2025 when he realised the money was returned. Instead, he received the correct information on 14 July 2025 – a practical delay for him of three days. I considered it was then his choice when he started acting on that and if, as here, he waited for the written outcome of his complaint resolution two days later.

I said I was going to account for this loss by calculating the additional interest Mr E could have earned on the balance for three days when in the other account. If I assume the phasing of transfers is the same – that is up to £100,000 per day – then this represents his effective loss. The daily interest on £580,000 at five per cent per annum is £79.45. And for three days is £238.35.

I intend to require Barclays to pay this interest plus simple interest at eight per cent per annum from the end of the loss period 14 July 2025 up to the date of settlement.

Compensation

I took into account the error made, and the calls and email follow up Mr E needed to make about this. And his frustration at the avoidable delay in him being able to send a payment and being given incorrect information.

Having done so I thought that the offer of £200 of compensation for this is reasonable to reflect what happened. In making that finding I've taken into account our published guidance about compensation and that we don't make punitive awards. I also noted that Barclays apologised in its final response letter for what went wrong and I considered that apology sufficient here.

I appreciated Mr E may still be disappointed by this outcome. If he doesn't accept my decision, he remains free to pursue this matter in court subject to any relevant time limits.

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.

Mr E said that he appreciated the finding that Barclays gave him incorrect information on 10 July 2025. But he also said that on a factual matter while he had asked Barclays to transfer the funds, he hadn't specified CHAPS as the payment mechanism. And that branch staff had told him that, given the amount of the transfer, CHAPS was the appropriate method. Mr E wanted that taken into account before a final decision and for the assessment of financial loss to be reconsidered.

Barclays said that it was not able to give a view on whether it accepted the provisional decision or not. It queried why Mr E should receive simple interest on the lost interest payment of £238.35. Barclays said that after the transfer had gone ahead Mr E was in a position to earn interest on the funds. So, it was unsure why I had indicated it should pay interest on the £238.35.

I can't fairly resolve exactly what Mr E was told in branch. But there seemed only one

electronic option for transferring the money involved here in one amount on the same day. He effectively gave an instruction to make the payment in this way. I note that this instruction included the wording "*Providing incorrect details could cause the payment to be delayed cancelled and/ or incur additional costs.*" I don't have anything further to add to what I said about why this payment failed in my provisional decision as set out above. So, while I've considered Mr E's further comments carefully, they don't make a difference to my assessment and including for the reasons I've already given.

I can now deal with the point raised by Barclays. The position clearly is that Mr E expected to earn interest on the money in an account with a different financial business. I can't for example here ask Barclays to back date interest on his savings account as I might have done if it was a Barclays account. Mr E ought fairly to have had the interest he'd lost due to the delay I identified that Barclays caused paid by the date the funds transfer had completed. He could then have used or earned interest on that interest. Here he has still not received that interest payment and won't unless he decides to accept my decision and it's paid. So, he has been deprived of £238.35 from 14 July 2025 until any date of settlement. Based on the date of referral of his complaint this service is still often recognising such loss at a rate of eight per cent simple interest per annum. And I won't be departing from that and my provisional findings here in my decision.

My final decision

My decision is that I uphold this complaint in part and require Barclays Bank UK PLC to:

- 1) Pay Mr E £238.35 plus simple interest of eight per cent per annum on this amount of £238.35 from 14 July 2025 to the date of settlement.
- 2) Pay Mr E £200 in compensation as it offered to and in addition to the refund of £25 it has already made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 March 2026.

Michael Crewe
Ombudsman