

The complaint

Mr and Mrs P complain that following their request to switch their account to a new provider, Barclays Bank Plc allowed direct debits to leave the account resulting in an overdrawn balance. Mr and Mrs P complain that as the switch was in progress then the direct debit requests should have been forwarded to the new bank.

They also advise that when they first contacted Barclays to complain, the complaint was misunderstood, categorised incorrectly and logged in Mr Ps name only.

Mr and Mrs P complain that Barclays breached the Current Account Switch Guarantee in allowing the direct debit payments to leave their account.

They further complain that Barclays has continued to issue letters requesting repayment whilst their complaint is being considered.

What happened

As both parties are familiar with the circumstances of the complaint I won't go into detail, but I've summarised the main issues below.

Mr and Mrs P requested that their Barclays Bank current account be switched to a new provider.

Barclays Bank acknowledged the switch request in a letter dated 30 April 2025 and confirmed a completion date of 7 May 2025.

On 6 and 7 May 2025 several direct debits left the Barclays account resulting in an overdrawn balance.

Mr and Mrs P complained to Barclays in July 2025 and asserted that they did not believe that the overdrawn balance was owed by them as the direct debit requests should have been forwarded to their new provider for payment.

As Mr and Mrs P didn't agree with the response they received from Barclays they referred the complaint to this service.

Our investigator looked into the circumstances surrounding the complaint including considering the date the switch was scheduled to happen, the date the direct debits left the account, and Barclays' responsibilities in adhering to the rules around the Current Account Switch Service and didn't think that Barclays had done anything wrong.

The investigator confirmed that Barclays followed the correct process in regard the current account switch and as such didn't need to do anything further.

The investigator also considered if Barclays was wrong to have threatened to report a default to credit reference agencies, but finding no error in how the switch was processed decided that it wasn't wrong to do this.

Barclays apologised for the misunderstanding when logging the initial complaint, explained that its system doesn't allow for the logging of joint complaints and logged a separate complaint in Mrs P's name. They offered £50 compensation to each in acknowledgement of this error. The investigator felt this was fair.

Mr and Mrs P didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

There's been a lot of detailed correspondence around the evidence, rules, and regulations for which I'm grateful. But this is an informal service so I'm not going to comment on everything included within this complaint. Instead, I'm going to stick to what I think are the central points that apply here. I've considered all the evidence and arguments available to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I don't uphold this complaint. I'll explain why.

The key issue for me to decide is whether Barclays followed the correct process in dealing with the current account switch. I agree with the investigator that it did.

Mr and Mrs P have confirmed that they were aware that the completion date for the switch was set as 7 May 2025. Under the Current Account Switch Service the obligation for Barclays to redirect direct debits only came into effect on completion of the switch. In this case the switch had not been completed at the date the direct debits were requested.

The switch completion date is in place to ensure that account holders are clear on what date they should begin using their new account/stop using their old account. The only options available to Barclays on receiving the direct debit requests were to pay or return, on balance I believe the option to pay was reasonable, thus avoiding the potential of Mr and Mrs P being subject to any adverse action by the direct debit originators.

As Mr and Mrs P have not told me that the payments were not due then I believe Barclays was correct in allowing them to leave the account. If for any reason this is not the case then Mr and Mrs P will be able to reclaim the overdue amounts through their new bank under the Direct Debit Guarantee.

As the balance of the account remains overdrawn, then I don't think Barclays did anything wrong in continuing to pursue repayment of the outstanding amount whilst the complaint was ongoing. I am satisfied that Barclays gave Mr and Mrs P several opportunities to discuss repayment between 9 May when it wrote to them confirming the switch had been completed and letting them know the outstanding balance, and 15 October when it issued a final demand for payment.

Mr and Mrs P brought a joint complaint to this service, but I note Barclays chose to set up individual complaints for each party. I've seen the two individual final response letters issued to both Mr P and Mrs P and can see Barclays made an offer to both of £50 each as compensation.

I think £50 for each individual complaint is fair and reasonable in the circumstances of this complaint. I note that Barclays offered a total of £100 across the two individual complaints, and I think that's fair.

I appreciate that my decision will be disappointing for Mr and Mrs P, but I hope I have made clear the reasons for my decision.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 19 March 2026.

Petina Edwards
Ombudsman