

complaint

Mr W complains about Barclays Bank Plc's poor handling of the transfer of his current account to Lloyds Bank.

background

In April 2014, Mr W's Barclays current account was transferred to Lloyds Bank. Mr W understood that the outstanding balance on his Barclays account had been settled by Lloyds Bank. So Mr W was surprised to find out that he still owed money to Barclays. He is unhappy about the repeated attempts to get him to repay the alleged debt.

Barclays says the problems with the account have arisen because of a mistake made by Lloyds Bank when it credited Mr W's account direct rather than paying money in to a sundry account as Barclays had asked. Barclays recognised that it could have handled Mr W's complaint better, so offered to pay £200 compensation.

Our adjudicator was satisfied that Barclays was entitled to reclaim the debt. And he considered the offer of £200 was reasonable in the circumstances.

Mr W doesn't agree with the conclusions of the adjudicator. Mr W doesn't consider the offer of £200 is adequate compensation for the time he has spent pursuing his complaint. And he doesn't think the bank has given him enough information about the outstanding debt. Mr W is also concerned about the negative impact the debt may have on his credit rating.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I appreciate that Mr W found it very difficult to get a straight answer from Barclays about why he still owed it money. And the situation wasn't helped by the fact that Barclays referred to an outstanding amount on Mr W's Barclaycard instead of his current account. But I am persuaded that Barclays, through our adjudicator, has now given an adequate explanation of why the debt remains due to be paid.

When Mr W's Barclays account was due to be switched to Lloyds Bank, his Barclays account was overdrawn by almost £500. Lloyds Bank transferred just over £309 direct to Mr W instead of paying it in to a sundry account with Barclays. And Barclays transferred the same amount of money from its sundry account. So Mr W's current account was credited twice. As Mr W's Barclays account was in credit instead of being overdrawn, Barclays transferred just over £127 to Mr W's account with Lloyds Bank.

When Barclays realised about the error, it reclaimed the overpayment from Mr W's current account. As I am satisfied that Barclays hasn't made any mistake in its calculations, I find it reasonable to expect Mr W to repay the overdraft that remained with Barclays after the switch took place.

I understand that Mr W would like Barclays to pay more compensation than the £200 it has offered. I realise that Mr W has tried for some time to get to the bottom of how the debt arose. And when Mr W used the switching service, he understandably relied on Barclays to make sure that it went smoothly. But I am persuaded that Barclays' offer to pay £200 in

recognition of the upset caused is reasonable in the circumstances and in line with what this service would recommend.

Barclays has confirmed that it has not recorded any adverse information against Mr W's credit file as a result of his overdraft being created. So there is nothing for me to direct it to remove.

Barclays previously told us that it wouldn't take any further action to recover the outstanding debt until we had finished dealing with Mr W's complaint. I leave Mr W to now speak with Barclays to discuss repayment of the debt in order to avoid further debt recovery action.

my final decision

My final decision is that I uphold this complaint in part and direct Barclays Bank Plc to pay Mr W £200 in full and final settlement.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 8 June 2015.

Gemma Bowen
ombudsman