

complaint

Miss V complains that Barclays Bank Plc wrongly debited her account twice, causing her to become significantly overdrawn. She also says the bank made mistakes implementing an agreed repayment plan. She has been caused anxiety and seeks compensation.

background

In January 2017 Miss V made six payments totalling £992.80. These were to various short-term loan companies she had borrowed from to pay off gambling debts incurred by her former partner. She says the same payment was taken again in February, as a result of which she became overdrawn as funds were not available. She is concerned as to why this payment was even allowed as her agreed overdraft limit was only £5.

Miss V also thinks that Barclays did not abide by the terms of the agreement to repay this overdraft. She says it was agreed she would pay it off in instalments taken at the end of each month, and that a new higher overdraft limit was arranged so that she wouldn't receive any further charges. Miss V says that despite this, a direct debit that the bank should have seen coming took her over the limit. This caused her card to be blocked. She was also charged for going over her limit - £8 in March and £16 in May.

The bank says that Miss V's card was cancelled in January 2017 (just before the £992.80 was paid) due to a suspected fraudulent transaction. The payments to the loan companies were therefore held in a Barclays account while the bank investigated whether or not they were really made by Miss V. Barclays say they wrote to her in January to see if these payments were fraudulent but they did not get a reply. They therefore released the payments in February. As there had been enough money in Miss V's account when the payments were originally made, the account allowed them. But since that time other payments had gone out of her account, resulting in her account becoming overdrawn at that later date. The bank does not accept they did anything wrong regarding these payments.

But the bank does accept it made mistakes with the repayment plan. They accept that their adviser who set Miss V's overdraft limit overlooked the direct debit, and the charges in March and May were made in error. Barclays have refunded the £24 of charges, and paid Miss V £200 in compensation for the anxiety these mistakes caused.

Our investigator thought that the bank had indeed made mistakes relating to the repayment plan, but she did not think there had been mistakes when they had authorised the £992.80 payment. The investigator felt that the bank had already done what she would have recommended in the circumstances by agreeing to an interest and charge free repayment plan, and that steps taken by the bank to make up for their admitted mistakes were reasonable ones.

It seems that Miss V does not consider the amount of compensation paid reflects the anxiety caused to her. So I have to come to a final decision on the matter.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

From looking at the account records it is clear to me that the £992.80 in payments only left Miss V's account once. But I can understand how confusing the situation might be for Miss V. She thought the money had been paid. And with all the other spending and payments on her account around – and just after – this time it was probably quite difficult to keep track of exactly what the true balance of her account was. But I also agree with the investigator that the bank acted appropriately in holding the payments while it checked with Miss V that they were genuine.

I also agree with the investigator that the bank acted appropriately following Miss V becoming overdrawn. As all the spending and payments were genuine it is right that she should repay the overdraft, but also fair given the circumstances that she should not be charged for it.

The bank was right to accept mistakes around the repayment plan, and I agree with the investigator that the compensation of £200 and the refund of the £24 were fair amounts.

I do sympathise with Miss V's anxiety generally. Discovering that a former partner has run up gambling debts must be very stressful. But the bank has offered reasonable compensation for the mistakes it made.

my final decision

For the reasons I've given, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 10 November 2017.

Satnam Viridi
ombudsman