

Complaint

Mr S1 and Mr S2 complain about the way a fraud investigation was handled by Barclays Bank UK PLC.

Background

The background to this complaint and my initial conclusions are set out in my provisional decision dated 24 March 2020 – a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I thought Barclays had dealt with the complaint fairly by refunding the £100 it took from the account. I said that Barclays had acted in line with its conversation with Mr S2. I explained that Mr S2 had told Barclays that Mr S1 had unsuccessfully tried to refund the £100. I invited both parties to respond with any additional comments or information they wanted me to take into account.

Barclays responded to say it accepted my provisional decision. Mr S1 responded to say he didn't accept my provisional decision and thought a further £100 gesture of goodwill would be a fair way to resolve his complaint. Mr S1 explained that he and Mr S2 had intended to use the disputed £100 to offset their losses after a holiday let booking was cancelled without warning.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've also taken Mr S1's response to my provisional decision into account.

I am sorry to disappoint Mr S1 and Mr S2 but I haven't been persuaded to change the conclusions I reached in my provisional decision. I understand Mr S1's point that he wanted to use the £100 in question to offset some of their losses. But I have to take the contents of the phone call Mr S2 had with Barclays into account. I won't repeat the comments I made in my provisional decision again, they're set out below, but I'm satisfied Barclays acted in line with the conversation it had with Mr S2 when it refunded the £100 in question.

In addition, Mr S1 responded to say he'd been given incorrect information about whether a refund had actually been issued. I accept that may be the case. But Barclays has compensated Mr S1 and Mr S2 by paying £100. I've said above that I think the £100 was legitimately refunded after Barclays spoke to Mr S2. I'm satisfied the £100 they subsequently received fairly reflects the impact of the service provided by Barclays.

I'm sorry to disappoint Mr S1 and Mr S2 but I haven't been persuaded to change the conclusions I reached in my provisional decision dated 24 March 2020. I still think the £100 Barclays paid them is a fair way to resolve Mr S1 and Mr S2's complaint so I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold this complaint because Barclays Bank UK PLC has already paid a settlement that is fair and reasonable. .

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S1 and Mr S2 to accept or reject my decision before 14 May 2020.

Marco Manente
Ombudsman

Copy Provisional Decision 24 March 2020

Complaint

Mr S1 and Mr S2 complain about the way a fraud investigation was handled by Barclays Bank UK PLC.

Background

On 9 October 2018 Barclays blocked Mr S1 and Mr S2's accounts after a third party raised a dispute relating to a £100 payment they received. Barclays' fraud team opened an investigation.

Mr S1 contacted Barclays after he was unable to use his online banking facility and was told his accounts had been blocked while an investigation was completed. A 10 day timescale was given by Barclays.

On 17 October 2018 Mr S2 received a call from Barclays and says he was told the funds had been returned to the payee. Mr S1 says he visited a branch later that day and the staff spoke with the fraud team on his behalf. Mr S1 says he was told that the £100 had actually been placed in a suspense account whilst the matter was being investigated. Barclays later claimed that Mr S2 had given his permission for the £100 to be returned to the payee but he's told us that's untrue and that he didn't consent.

Over the following weeks Mr S1 continued to contact Barclays because he and Mr S2 were unhappy with its decision to refund the £100 which they say was legitimately owed. Mr S1 later complained. Barclays responded to the complaint on 21 November 2018 and said it had a systems note to show Mr S2 had consented to the refund. But Barclays couldn't locate a call recording with that information so agreed to refund the disputed £100 to the joint account.

The complaint was referred to our service and passed to an investigator. The investigator thought Barclays had dealt with Mr S1 and Mr S2's complaint fairly so didn't ask it to do anything else. Mr S1 asked to appeal so the complaint has been passed to me to make a decision.

I reviewed the complaint in full and issued a provisional decision on 2 March 2020. Within its final response and file submission to this service, Barclays said it didn't have a record of Mr S2 giving his consent for the payment to be returned. I provisionally upheld the complaint and said I intended to tell Barclays to pay Mr S1 and Mr S2 £100 because of the distress and inconvenience caused.

Barclays has since located a copy of the call with Mr S2 from 17 October 2018. I asked the investigator to forward a copy of the call to Mr S1 and Mr S2 so they could listen to the conversation with Barclays. In its response to my provisional decision Barclays said the call recording showed Mr S2 had confirmed the disputed £100 would always have been returned.

My provisional findings

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

I understand Mr S1 and Mr S2 will no doubt be somewhat frustrated that Barclays has only now provided a copy of the relevant call recording. But I have to take all available evidence into account when making my decision. Whilst I agree that the timing of Barclays' submission is much later than we would normally expect, that doesn't impact the facts of the complaint Mr S1 and Mr S2 have asked our service to look into.

In Barclays' final response dated 21 November 2018 it said it couldn't locate the relevant call recording where Mr S2 gave his consent for the payment to be returned. Now all parties have had the chance to listen to the call in question.

During the call with Barclays' fraud team, Mr S2 explained that the £100 related to a damage deposit for a holiday let. The person who had booked the holiday let had cancelled without notice and subsequently raised a separate dispute via an online payment provider. Mr S2 said the cost of the holiday had already been refunded by the online payment provider. Mr S2 went on to say that he and Mr S1 had tried to return the £100 via the online payment provider but his attempt had been blocked. Mr S2 also explained that they didn't have any other account details to process a refund which is why the £100 hadn't been returned. I agree that Mr S2 was clearly unhappy with the situation, but he specifically advised that he and Mr S1 had already unsuccessfully attempted to return the £100 damage deposit.

Mr S1 says that he thinks Mr S2 made it clear that they wanted to retain the £100 to offset their losses from the cancelled booking. But I've listened to the call several times and I didn't get that impression from what Mr S2 said. I heard Mr S2 give details of the dispute, explain that he and Mr S1 were taking it up with the online payment provider and that they had already tried to repay the damage deposit.

Barclays said that it had already taken the decision to refund the payment. But I'm satisfied Mr S2 was aware of the decision and he told Barclays that a refund of the £100 was intended in any case.

Mr S1 says Mr S2 is in his late 60s and has asked why he wasn't contacted as well. Mr S2 gave clear answers to the questions he was asked and appeared to be fully aware of the situation. I wouldn't expect Barclays to treat him any differently based on his age. The account in question is held on a joint basis between Mr S1 and Mr S2. Both parties can give instructions separately. There's no requirement under the account terms that says Mr S1 and Mr S2 have to approve each others instructions – either party can act.

As a result of the new evidence I've seen, I no longer think it would be fair to direct Barclays to increase the compensation it has awarded. I'm satisfied Barclays acted in line with the conversation it had with Mr S2.

I also have to take into account that Barclays has already paid £100 to Mr S1 and Mr S2 as it didn't find the call recording in question before it issued the final response on 21 November 2018. That means there has been no financial loss in this case to Mr S1 and Mr S2. I know they remain upset with the way the situation was handled by Barclays but, as I've said above, I think the decision to refund the £100 was reasonable. I haven't found Barclays made a mistake by issuing the refund and it has already paid Mr S1 and Mr S2 £100. Unless I see some new information that changes my mind, my provisional decision is that I don't intend to tell Barclays to take any further action.

My provisional decision

Taking the new information I've seen into account, my provisional decision is that I don't intend to uphold this complaint.

Mr S1 and Mr S2 and Barclays have until 7 April 2020 to send me any additional information or comments they would like me to consider before I issue my final decision.

Marco Manente
Ombudsman