

complaint

Miss A complains about the way Barclays Bank plc treated her when she was a victim of theft and fraud.

background

Miss A told us that, early in January 2018, her purse containing her debit and cash (including £250 she had just withdrawn from a cash machine) were stolen from her. The following day Barclays identified a number of contactless payments made with the card. They amounted to more than £400. When Miss A spoke with the bank, she was told that the later payments would be refunded within 24 hours and that the bank would do its best to recover the £250.

A few weeks later Barclays wrote to Miss A to tell her that it would be closing her accounts just over two months later. In the meantime, though, it suspended them, meaning that she couldn't make any payments or withdraw cash.

The card payments were refunded to Miss A's account about six weeks after they were made.

Miss A also told Barclays that she had made an online purchase but hadn't received the goods she'd paid for. The bank agreed to look into that under the relevant card scheme rules. When it did so, however, it was unable to make a refund to her account, because it had been blocked.

Miss A has explained at some length the difficulties that the bank's action in blocking her accounts caused her. I don't need to set them out in detail here, but they included being unable to travel, buy clothes for her child or have her boiler repaired in the middle of winter. She's also explained the impact this has had on her, and in particular the distress it's caused.

Miss A referred her concerns to this service, and one of our adjudicators considered the matter. He didn't feel that Barclays had handled things as well as it could have done. In particular, he felt the member of staff who had suggested the bank might be able to recover the £250 that had been stolen from was not being realistic. She had made the withdrawal herself, and there was little or no prospect that the bank would take responsibility for the fact that it had been taken from her. Miss A was also told that the subsequent payments would be refunded within 24 hours, but it actually took several weeks before that happened. The adjudicator considered that the bank hadn't handled subsequent contacts with Miss A very well either, and that this had added to her distress.

He recommended that, to resolve her complaint, Barclays should refund the chargeback claim of £102.68 that it had recovered and pay Miss A £750 in recognition of the distress she had suffered. Barclays agreed with those recommendations and asked how the payment should be made, given Miss A no longer has an account with it. But Miss A didn't feel they went far enough or properly recognised the trouble she'd been put through. She asked that an ombudsman review her complaint – as the final stage in our process.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, however, I agree with the adjudicator's assessment, and for similar reasons.

There's no dispute that the bank didn't handle things well. It shouldn't have suggested Miss A might get her cash back and it should have processed the card refunds more quickly. But it was within its rights to close the account, having given notice, and to block it in the meantime. It was also within its rights to register Miss A with external agencies, although it agreed later to remove that registration.

So the only issue for me to decide here is whether the bank's offer (prompted by the adjudicator's recommendations) is fair. In my view it is. Miss A's circumstances are such that these events have had a significant impact on her, but I'm satisfied the adjudicator's recommendations and the bank's acceptance of them recognise that impact and represent a fair resolution of her complaint. In order that those recommendations are enforceable, however, I will make a formal award.

my final decision

My final decision is that, in order to resolve Miss A's complaint, Barclays Bank UK plc should:

- refund to Miss A the amount of the transaction of £102.68 that was recovered from the merchant's bank using the chargeback claim; and
- pay Miss A compensation of £750 in recognition of the considerable upset and inconvenience she has experienced because of the problems with about her accounts, including the original commitment to recover the amount of the cash machine withdrawal when the money was subsequently stolen.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 24 October 2019.

Michael Ingram
ombudsman