

complaint

D, a limited company, complains that Barclays Bank Plc (trading as Barclaycard) did not provide a refund of charges in the way it said it would.

background

D has a merchant account with Barclaycard. In November 2018 it complained about the charges. These had increased and included a non compliance charge. Barclaycard said that it would refund the total charges from May to October 2018 of £288.10. However, it only paid £158.58 to D's bank account having netted outstanding charges on the merchant account of £129.52.

Our investigator did not recommend that the complaint be upheld. He said that the final response letter had said that £288.10 would be paid to the bank account. Barclaycard could have been clearer about how the money would be applied. But he did not think it had acted unreasonably.

D did not agree and said that Barclaycard had not done what it said it would and that we hadn't followed our own rules in dealing with this complaint.

my findings

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

This service provides informal dispute resolution and we look at the circumstances of any complaint afresh. We don't have to follow here what Barclaycard offered as a resolution. And I can't see that we've not acted in line with our rules contained in the Dispute Resolution Handbook established by the Financial Conduct Authority. As D did not agree with our investigator's view the complaint has been passed to me for a final decision.

I've looked at the merchant statements for D. The charges due from May to October 2018 totalled £288.10 and this included the October 2018 charge itself of £64.76. I haven't seen any evidence to show that these charges were not due under the agreement between D and Barclaycard.

When D complained Barclaycard noted that it had not been using the service and as a gesture of goodwill said it would refund some charges. It said in the final response letter dated 23 November 2018 that *"a credit of £288.10 has been applied to your bank account for the period of May 2018 to October 2018"*.

What I believe it had expected when making that statement is that the charges for October and November 2018 would be paid by D. The charge for November 2018 was a further £64.72. And D had not paid the cumulative amount owing shown in the November 2018 statement of £129.52. The refund of £288.10 was applied to the merchant account and the net figure of £158.58 paid to D's bank account on 4 December 2018.

Given that the refund from Barclaycard was to cover charges paid including October 2018 I see no issue at all with the outstanding charge for the month of October 2018 being netted. And there was no basis for a refund of the November 2018 charge based on what had been agreed. Barclaycard took the view that this was fairly due anyway.

I understand why D was unhappy with this approach. But I'm not in a position fairly to ask Barclaycard to do anything else. This refund was as I say a gesture of goodwill and Barclaycard could expect D to keep the account up to date after that.

I don't have a reasonable basis to require Barclaycard to do anything further.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 28 March 2020.

Michael Crewe
ombudsman