

## **complaint**

M, a limited company, has complained Barclays Bank PLC, trading as Barclaycard, didn't refund them for unauthorised transactions on their company Barclaycard.

M is represented in its complaint by Mr B, a director.

## **background**

In June 2018 Mr B asked for a commercial credit card from Barclaycard. At the same time he updated them with M's revised address details. Unfortunately the new card and PIN was sent to the wrong address. An unknown third party quickly used up the full credit limit of £3,000. M's current account was debited with minimum payments to the credit card account.

Mr B noticed this and alerted Barclaycard. They immediately refunded the amounts and asked M to complete paperwork to confirm the unauthorised transactions. This wasn't returned and Barclaycard re-debited M's credit card account.

Mr B got quite exasperated with what he felt was Barclaycard's intransigence. Barclaycard offered M £100 for the inconvenience caused. Mr B brought M's complaint to the ombudsman service.

Our investigator reviewed the evidence. He accepted there had been an impact on M but didn't believe this had been serious. M could continue to make purchases as before and at no time had the current account been short of funds.

Mr B didn't think this took into account the time spent in trying to sort out what had happened. He'd also been disappointed Barclaycard hadn't provided detailed information following subject access requests. He's asked an ombudsman to review M's 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. Having done so, I've reached a similar conclusion as our investigator although I believe Barclaycard should pay additional compensation. I'll explain why.

Although I'm not looking at the fraudulent transactions in detail, I've looked at what happened here. There's no dispute M's new credit card was sent to the wrong address along with the PIN. This resulted in the person receiving this card taking out £3,500 from cash machines with M's account being charged for those transactions, along with fees and interest.

Barclaycard has never suggested Mr B, on M's behalf, authorised these transactions. To avoid any doubt, I'm satisfied having reviewed all the evidence M didn't make or authorise these transactions.

I can see from M's credit card statements that all transactions, £3,450 plus fees and interest along with overlimit fees, were refunded by the time M's 14 February 2019 statement was published. From September 2018 onwards M had been making minimum payments towards the credit card bill by direct debit. Barclaycard also paid M's compensation of £100 by crediting the credit card account in January 2019. This is why later statements show the

account being in credit. On 18 March 2019 M made a balance transfer from the credit card account to their current account. This cost them less than the £2,000 transferred because of the credit built up in the account.

One of the issues I believe Mr B was concerned about was that M remained out of pocket. Having reviewed the statements in detail I don't think this is the case.

I have then gone on to consider whether the compensation Barclaycard paid was right. £100 was credited on 3 January 2019. The final response sent to M confirmed how this £100 was made up. £25 of this was for sending the card to the wrong address and £50 for poor service.

Our investigator felt an additional £150 should be paid as he believed previous compensation didn't adequately reflect the inconvenience caused to M.

I've also looked at the issues Mr B raised about not having sufficient funds in M's current account. But I can't see this was caused by the fraud that happened on M's credit card account. In fact I can see from reviewing M's details on Companies House that an application to strike-off the company commenced before any fraud took place. I also note M is still operating as any strike-off has been put in abeyance. So I don't think any financial concerns M may have had were caused by the subsequent fraud on their credit card.

I do however believe insufficient compensation has been paid. Not only was this whole mess caused by Barclaycard sending the card to the wrong address but it did take them quite some time to sort out the transactions and clear the account. Five months seems too long when I believe there is so little dispute around the facts about what happened. This inevitably caused M inconvenience. I'm going to add a further £150 to what our investigator's already confirmed. M will therefore get a total of £400 compensation.

I'm sure Mr B will remain disappointed. But I'm only able to pay businesses compensation for the inconvenience and whether there has been any impact on the business itself – rather than its director. I've also looked at the data protection aspects and I know this has riled Mr B. He can take any complaint M has to the appropriate regulator for this aspect – the Information Commissioner's Office.

### **my final decision**

For the reasons I've given, my final decision is to instruct Barclays Bank PLC, trading as Barclaycard, to pay M £300 on top of £100 compensation previously paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 27 May 2020.

Sandra Quinn  
**ombudsman**