

The complaint

Mr W complains about Barclays Bank UK PLC trading as Barclaycard ("Barclaycard") for blocking his credit card and for poor complaint handling. He wants Barclaycard to explain why blocks were set on his account.

What happened

Mr W has been a customer of Barclaycard for a long time. Both he and his wife held credit cards linked to the same account.

Around mid-May 2022, Mr W tried to purchase currency for his holiday from a company online. The transaction was declined.

Mr W contacted both Barclaycard and the currency retailer to find out what was wrong. Both businesses suggested to him that there was no issue at their end. Mr W had to make a number of calls to Barclaycard to find out why the transaction was declining but he did not receive a satisfactory response. The card was checked and the agent he spoke to advised that they had removed 'the block' on the card in relation to the transaction.

Mr W was then able to purchase his currency from another retailer.

Shortly afterwards, Mr W's insurance premium was charged to his card.

Several weeks later in mid-June 2022, Mr W was able to use his card whilst on holiday.

Shortly afterwards, Mr W tried to pay for his hotel using the card and it was declined again. Mr W's wife's card was also declined, and he would have had to use another form of payment.

Mr W contacted Barclaycard. He experienced delays and inconsistent information when getting in touch, and ultimately learned that a block had been placed on his Barclaycard between 22 June 2022 and 25 June 2022. The block was then removed.

Mr W wanted to know what the reason for the block being placed was. Barclaycard gave unclear information and was unable to confirm to Mr W the reason for the block being placed.

During the few days while the card was blocked, Mr W's insurance company tried to take payment from his card but was unable to. Payment to Mr W's insurer was ultimately made around a week later.

Mr W complained to Barclaycard. He felt that he had been messed around and caused to spend a long time on calls.

Barclaycard responded. It acknowledged that the card had been blocked for several days as a temporary safeguard. It was unable to give a specific reason for this and offered Mr W £50 compensation for his inconvenience in having to make multiple calls.

Mr W was not happy and contacted us.

Our investigator looked into this matter and did not recommend that the complaint be upheld. They explained that businesses are entitled to block payments in order to protect customers and that they can ask additional security questions. They also explained that we are not able to consider complaint handling as a separate issue and so could not award compensation for poor complaint handling.

Mr W did not accept that view and asked for an ombudsman decision.

I have made additional enquiries with Mr W. I asked for details of the inconvenience he encountered whilst on holiday and for some additional information. He has not responded to that request.

What I've decided – and why

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

I appreciate why Mr W was frustrated at his experience. It is always frustrating and concerning when a transaction is declined, and he understandably wanted to know what the problem was. He was away and had limited access to his other resources so it would have been of significant worry when the card was declined.

I agree with my colleague, however, that businesses are entitled to block transactions when they have concerns, and they are entitled to request information before removing blocks and restoring card use.

In this instance I can see that Mr W was caused some inconvenience by this, but I have not seen evidence of substantial effect on him from the decline of the card, or of Barclaycard's immediate handling of that block. Consequently, I must agree that Barclaycard's offer of £50 compensation is a reasonable offer to reflect the inconvenience caused to him by not receiving an explanation for the block.

I can also see that Mr W experienced substantial distress and inconvenience through the way his subsequent complaint was dealt with, and this clearly caused him frustration and upset. As, however, complaint handling is not a regulated activity we are unable to award compensation for complaint handling when that is the only thing that the business has done wrong.

I therefore understand that this will be upsetting to Mr W, but I agree with my colleague's view and do not uphold Mr W's complaint. I do not ask Barclays Bank UK PLC to do anything further.

My final decision

For the reasons given above, I do not uphold Mr W's complaint and I do not ask Barclays Bank UK PLC to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 August 2023.

Laura Garvin-Smith
Ombudsman