

## **The complaint**

A limited company, which I'll refer to as 'S' is unhappy with several aspects of the service received from Barclays Bank UK PLC surrounding the transfer of a direct debit.

S's complaint is brought to this service by its director, whom I'll refer to as 'Mr H'.

## **What happened**

In March 2021, Mr H asked Barclays to open a replacement business account for S as he was concerned that fraudsters had compromised the existing account. Barclays transferred S to a new account as requested, but they didn't transfer the direct debit for S's Bounce Back Loan ("BBL") payments that were due to begin in June 2021.

Barclays issued a new direct debit mandate to Mr H in June 2021 so the BBL direct debit could be put in place on the new account. But when Mr H returned the mandate, Barclays felt that his signature has changed over time and was no longer a match for the signature they held for him. Barclays sent Mr H a form to complete to update his signature with them. But Mr H wasn't happy about this and felt that Barclays were being unnecessarily obstructive. So, he raised a complaint on S's behalf.

Barclays apologised for not transferring S's BBL direct debit to the new account when they should and offered £100 to S as compensation for any inconvenience that not transferring the direct debit may have caused. However, Barclays didn't feel that they'd acted unfairly by not accepting Mr H's direct debit because of the signature concerns they had. Mr H wasn't satisfied with Barclay's response, so he referred S's complaint to this service.

One of our investigators looked at this complaint. They didn't feel Barclays had acted unfairly by requiring Mr H to update his signature. But they recommended that Barclays increase their offer of compensation to £200. Barclays agreed, but Mr H remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Barclays have accepted that they should have transferred S's BBL direct debit to the new account when it was first opened. Barclays have apologised to Mr H for this and agreed to pay £200 compensation to S for any inconvenience that S may have incurred as a result. This feels fair to me, and I'm satisfied that £200 is a fair compensation amount for Mr H

having to set up a new direct debit to make S's BBL payments.

Barclays sent a direct debit mandate to Mr H to complete and return to enable a new direct debit to be set up for S's BBL payments. But when Mr H returned the signed mandate, Barclays felt that Mr H's signature had changed and was no longer a reasonable match to what they had on file. As a result, Barclays sent a signature update form to Mr H to complete and return, as per their process. But Mr H didn't feel his signature had changed and so didn't feel he should reasonably be asked to complete the form. And it's my understanding that to date Mr H hasn't returned the completed signature update form to Barclays.

But I'm satisfied that it's for Barclays to decide whether they have concerns about a signature match. And I'm also satisfied that it's for Barclays to decide the process a customer must follow to update a signature when it's required by them. As such, I don't feel have Barclays acted unfairly towards S by requiring Mr H to complete and return a signature update form to them.

Mr H has said that he's unhappy with the amount of time and effort that dealing with this matter has taken and feels that a higher award of compensation should be merited here as a result, beyond the £200 that Barclays have agreed to.

But I feel that Barclays have already offered fair compensation to S for not transferring the direct debit when they should. And I also feel that Barclays' requirement for Mr H to complete a signature update form is fair, and that Mr S could and should reasonably have mitigated against much of the time and effort he's unhappy about expending here by simply completing and returning the signature update form to Barclays.

Mr H is also unhappy about how Barclays have handled his complaint to them about this matter. However, as per the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – this service is only able to consider complaints about specified activities, of which complaint handling isn't one. This means that this aspect of S's complaint isn't one that it's within my remit to consider.

Finally, it's notable that in the absence of the direct debit, Mr H has been making payments on S's behalf on an ad-hoc basis, but that these payments have been made by Mr H a few days late, meaning that S has been receiving missed payment letters.

Mr H has explained that this is because the BBL instalment amounts change every month which means he needs to wait for the letter to arrive to know what to pay. But the BBL agreement confirms the instalment amount as being £650 per month. And this is also confirmed on the missed payment letters Mr H has himself provided to this service.

As such, the reason S receives late payment letters with payment requirements that deviate slightly from £650 is because Mr H is consistently late with S's payments, meaning that small amounts of arrears interest are accruing. I can therefore only encourage Mr S to update his signature with Barclays as reasonably required by their process so that a direct debit for the BBL payments can be set up.

All of which means that while I will be upholding this complaint in S's favour, I'll only be doing so to instruct Barclays to pay the £200 compensation to S that they've already agreed to

I realise this might not be the outcome Mr H was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

**Putting things right**

Barclays must make a payment of £200 to S.

**My final decision**

My final decision is that I uphold this complaint against Barclay Bank UK PLC on the basis explained above.

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

Paul Cooper  
**Ombudsman**