

The complaint

Mr E complains that Barclays Bank UK PLC cost him an investment opportunity with how they handled his international transfers, and they provided him with poor customer service.

What happened

Mr E attempted to transfer £122,000 from Barclays to combine with other funds he had with third party banks for an investment opportunity overseas. Due to the limits for international transfers over the phone, Mr E tried to transfer £50,000 on 5 April and £72,000 on 6 April. He says the date the recipient bank needed to receive the funds for the investment opportunity was 11 April. Mr E says after he transferred £50,000, he noticed access to his Barclays application (app) had been blocked, and the call handler he spoke to was unable to explain why this was, so he sought information from his supervisor who said it was a temporary security measure and it should return to normal the next day.

Around 30 minutes after this call, Mr E says he received a call from Barclays and the call handler asked him security questions and was satisfied Mr E genuinely made the transfer and the money was received by the overseas bank on 11 April 2023, but he says his app wasn't working the next day, so he contacted Barclays to arrange the larger transfer, but he was told he had failed security and they were unable to progress any further, so a video appointment was arranged so Mr E could identify himself, which occurred on 15 April. But Mr E lost out on his investment opportunity, and he had been unable to use the app. Mr E made a complaint to Barclays.

Barclays partially upheld Mr E's complaint. They said their Fraud Detection System (FDS) stopped the payment as this allows Barclays to complete further checks on the payment and to speak to him before it's released, which prevents their customers being victims of fraud and scams. They said as payments being stopped is in the terms and conditions of his account, they are unable to compensate for this. But as Mr E received incorrect information from a member of staff in their international banking team, they credited Mr E's account with £50. Mr E brought his complaint to our service.

Our investigator said Barclays were entitled to stop and check transfers for security reasons as stated in the terms and conditions of the account, so they had not made any error with the payment. But he said Barclays had offered another £200 compensation for the time he spent on the phone to them as he was abroad at the time which he said was fair. Mr E asked for an ombudsman to review his complaint.

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.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

So I don't find it unreasonable for Barclays to have security controls in place to manage their obligations and to fulfil their duties to their customers to ensure each payment made is genuinely made by their customers themselves and they are not being coerced or scammed into making payments. And I'm satisfied they have acted in line with their terms and conditions here in trying to protect Mr E's account, even if this meant he couldn't transfer the funds in time to invest in the fund he wanted to.

When Mr E passed the security for the payment on 5 April, the funds were released. I can see that on the payment for 6 April 2023, there is a note on Barclays systems that he failed security when he rang them on this date. So as Mr E failed security, I would not expect Barclays to immediately release these funds. So I can't say Barclays made an error in trying to protect Mr E's account when they couldn't verify it was him who tried to make the £72,000 payment on 6 April 2023.

So then I've considered what happened next. Barclays would usually require Mr E to visit a branch with identification. But as he was overseas they arranged a video call with Mr E. But there were issues with this which led to poor service for Mr E and the video call was only successful days after it should have been which took longer for the blocks to be removed. Mr E then made a transfer of £70,000 after the blocks had been removed when Barclays were satisfied Mr E was their genuine customer.

Barclays originally offered £50 compensation. This is because they gave him wrong information about the block on his app. Due to the security controls in place, after Mr E made his unsuccessful payment, this is why his app remained blocked, and it wasn't lifted as he was told on 5 April that it would be.

Barclays have offered to increase their compensation offer by another £200 in light of all of the service issues, including the time Mr E spent on the phone to them, the issues with arranging the video call, and the wrong information about the app. Mr E has said there were factual errors in the final response letter also.

While I agree with Mr E that there were factual inaccuracies in Barclays final response letter, I'm not persuaded these affected what happened here with the transfers themselves or had an impact on what happened, but I can sympathise with Mr E that it may appear they didn't understand his complaint fully.

I can't ask Barclays to pay Mr E for his potential investment losses, as they do not guarantee every payment will be completed straightaway. They had suspicions that Mr E could either be the victim of a fraud or scam, so they spoke to Mr E on the same day that he made both payments. Mr E had to proactively call them on 6 April instead of Barclays ringing him on 6 April, which would have caused him inconvenience, but Barclays were entitled to delay the transfer until they were sure it was genuinely Mr E making the transfers. And I can't say Barclays made an error on 6 April when Mr E failed security.

So any compensation due would be for poor customer service here, not for a lost investment opportunity. Barclays did provide poor service for giving him wrong information about the app, the issues with the video call, and the factual inaccuracies in the final response letter. And they offered another £200 compensation to total £250 compensation.

I'm satisfied that an extra £200 is fair for what happened here. Mr E was inconvenienced to chase up his payment on 6 April when he wasn't called by Barclays like he was on the previous day, and the video interview wasn't able to go ahead when it was originally scheduled to. Mr E was given incorrect information about the app which would have been distressing when it still wouldn't work the following day which he was told it would do. So it follows I'll be asking Barclays to pay Mr E the extra £200 compensation they offered him for

distress and inconvenience.

Putting things right

Barclays offered to pay Mr E and extra £200 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. Barclays Bank UK PLC should pay Mr E a further £200 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 18 January 2024.

Gregory Sloanes
Ombudsman