

The complaint

Mr C complains that Barclays Bank UK PLC trading as Barclaycard misinformed him about a transaction. To resolve matters he'd like to be compensated for what happened and the problems this caused.

What happened

Mr C received a refund on his credit card amounting to £480 from a third-party relating to a subscription service. He'd had to raise a claim to get that money back and wanted to have it in cash. He contacted Barclaycard on 23 December 2022 to find out how he should go about this. Barclaycard told him that he could do a transfer to his current account.

While on the call Mr C noticed there was a charge for making the payment (a transaction fee) of £14.88. He asked if Barclaycard would waive this, considering he'd been a long-standing customer. Barclaycard explained the fee was correct and declined to waive it. Mr C remained unhappy.

Mr C completed the transaction using his mobile app and the transaction was treated as a 'debit' on his credit card due to it already having an outstanding balance on it.

Mr C called again on 13 January 2023. He wanted the bank to waive the £480 that had debited his credit card because he didn't think it had explained the consequences of making the payment. He told Barclaycard that he'd spent the funds in his current account over Christmas and was now out of pocket because the bank was holding him responsible for the amount debiting his credit card. He considered the refund from the subscription service should have been a standalone credit because this was money that belonged to him. It wasn't a loan to him.

A member of staff offered to refund the transaction fee, pay £180 compensation, and waive interest until 26 January 2023 for its customer service. But they didn't waive the principal amount because Mr C had had that money. Mr C didn't think this was fair or the resolution went far enough so he rejected the £180 offered. He maintained the bank should waive the £480 due to the bad advice/lack of information. The member of staff didn't change their mind and escalated the matter as a complaint.

Mr C referenced the £180 compensation he'd been offered.

The bank issued a response, which included the following points:

- It accepted it should have been clearer about how it handles refunds to the account. And to say sorry it would be waiving interest until 26 January 2023, refunding the transfer fee and paying £50 compensation.
- But the transfer fee had been correctly applied for the type of transaction.
- It wouldn't waive £480 because Mr C's account wasn't in credit when he called to make the transfer - he'd gone onto use that money.

- It didn't think a payment of £180 was warranted considering what had happened.

Mr C referred his complaint to us.

One of our investigators took a look at what had happened. But they didn't recommend that the complaint be upheld. While they agreed the bank should have been clearer in explaining things, they thought the steps taken to resolve the complaint were fair. They didn't consider the £480 was a financial loss and felt £50 compensation together with the refund of the fee was fair.

Mr C didn't agree. So, his complaint has been passed to me.

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've listened to the call Mr C had with Barclaycard on 23 December, where he explained he wanted the refund in cash. I agree the advisor didn't deal with the call properly given the information he'd been given. The advisor ought to have looked at the account and then provided correct information. But equally an equitable remedy wouldn't be for Mr C to benefit from the mistake no matter how strongly he feels. I'll explain why.

When the credits came into Mr C's account there weren't actually any surplus funds due to him already having an outstanding balance. So, when Mr C made the transfer, he did so using a portion of his credit limit, which is money borrowed and owed. I accept Mr C made that transfer not appreciating this and may not have made the payment, but I consider it's a relevant factor that *he's* had the benefit of that money when he spent it. Given this, it wouldn't be reasonable to require Barclaycard to be liable for this aspect. So, I won't be requiring it to waive it. But I'll go on to look at what else the bank did to address the situation.

In my view, the actual loss was the interest that was payable on the £480. But that would only apply up to the point that Barclaycard explained the correct position, which it did in the telephone call on 13 January.

During this call, the bank said it would waive interest up to 26 January. I'm satisfied this allowed Mr C the opportunity to then deal with the £480 when he repaid other spending. I appreciate Mr C considered the amount still in 'dispute' and chose not to pay it. But be that as it may, this was his decision, knowing by this stage all the full facts.

Thinking about the refund of the transaction fee, interest waiver and payment of £50, I'm satisfied what the bank proposed was a fair resolution in the circumstances*. The overall offer recognised the initial conversation had led to Mr C having to call back and raise a complaint about its service, his frustration at what had arisen, and it addressed any initial interest charges. Barclaycard also apologised and provided a clear explanation promptly (a final response following the next day). So, any actual distress and inconvenience was in my view limited.

[*The payment of £50 and refund of the transaction fee appears on Mr C's statements and are dated 13 January 2023].

Finally, Barclaycard offered Mr C £180 on the call on 13 January. This was done to help resolve the complaint. Once Mr C rejected it and wanted matters reviewed afresh (as he's entitled to have) the bank wasn't in my view under an obligation to reinstate the offer. So, it follows that I won't be requiring it to pay this.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 August 2023.

Sarita Taylor
Ombudsman