

The complaint

Mr L and Mrs L complain that Barclays Bank UK PLC blocked a payment Mr L attempted to make to an Individual Savings Account (ISA) on the evening of 5 April 2023. Mr L says that this prevented him from taking out a 2022/23 cash ISA.

What happened

Mr L attempted to make two separate on-line banking payments to fund ISA's with another provider for him and his wife on 5 April 2023. One payment went through, but the other payment was delayed and subsequently cancelled by Barclays. Mr L and Mrs L complained to Barclays that the delay meant that Mr L's 2022/23 ISA wasn't funded in time. Barclays didn't uphold the complaint and explained to Mr L that it had delayed the payment as it wasn't in-line with spending habits on the account. Barclays confirmed it had tried to contact Mr L the following working day to confirm the payment using the telephone number it held for him, but when it couldn't contact him, the payment was cancelled.

Mr L and Mrs L brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator didn't think that Barclays had acted unfairly when it stopped the payment. Mr L and Mrs L asked that an Ombudsman decides the 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.

I understand that Mr L and Mrs L will be disappointed, but for very much the same reasons as the Investigator I've decided not to uphold the complaint. I will now explain why.

The Financial Ombudsman Service doesn't have the power to tell Barclays what security checks it must carry out before approving a payment request – that is a business decision that only Barclays can make. However, I can consider whether Barclays applied any security checks fairly in this case. In deciding whether Barclays treated Mr L and Mrs L fairly, I've considered Barclays terms and conditions for payment requests, and two other important factors. The first is that the payments were attempted on-line after 10:00pm and the second is that the payments were attempted on the last day possible to invest in a 2022/23 ISA.

In its terms and conditions, Barclays explains when it doesn't have to follow a customer instruction to make a payment from an account. Barclays says it can apply internal controls, including limits, to some kinds of payment – and for security reasons Barclays changes these and doesn't always say what they are. Barclays allowed one payment Mr L requested to complete on 5 April at 10:02pm but decided to refer another payment for the same amount that Mr L attempted at 10:09pm the same evening. In this case, Barclays says it referred the payment for further consideration as it believed the payment wasn't in-line with spending habits on the account. I think Barclays make it reasonably clear that it can do this if it feels it is protecting a customer from potentially fraudulent activity.

I would reasonably expect Barclays to contact Mr L as soon as it could to satisfy itself the payment it has delayed isn't fraudulent. Barclays has provided evidence that persuades me it called Mr L on his mobile number shortly at 9:00am the following day. Mr L says he didn't receive a call from Barclays, but I think it's more likely than not Barclays made the call as it recorded that it couldn't make contact or leave a message. As Barclays couldn't obtain authorisation from Mr L for the payment it was cancelled. In addition, Mr L and Mrs L's access to on-line banking was suspended. In the circumstances of this case, I don't think Barclays acted unfairly or unreasonably when it cancelled the payment and suspended on-line access as it hadn't been satisfied the payment wasn't fraudulent.

Mr L says he's made similar payments in the past and has made two further significant payments since without any problem. I understand that may be the case, but that doesn't mean that Barclays acted unfairly in delaying the 5 April 2023 payment if it failed the security checks and limits Barclays had in place at the time.

Unfortunately, the cancellation of the payment meant that Mr L missed out on a 2022/23 ISA. I have some empathy with Mr L here, but I'm not persuaded the actions Barclays took were unreasonable. Barclays followed its process and tried to contact Mr L the next working day – which I think is reasonable as the payment was requested after 10:00pm - but because Mr L attempted the payment so close to the ISA deadline, even if Barclays had been able to contact Mr L the next working day, the payment wouldn't have been made in time for the investment to be made in a 2022/23 ISA.

My final decision

For the reasons detailed above, I've decided not to uphold Mr L and Mrs L's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 5 December 2023.

Paul Lawton
Ombudsman