

The complaint

Mr Z complains that he couldn't transfer a retailer refund from his Barclaycard account to his bank account.

What happened

Mr Z had a Barclaycard. It had a limit of £9,950. On 17 October 2023, a refund of £75 was credited to Mr Z's Barclaycard account. On 18 October 2023, Mr Z called Barclaycard to ask that it was transferred to his bank account, but Barclaycard said that wasn't possible.

Mr Z complained. He said it was his right to have the refund transferred to his bank account; and he was sure this was possible with other credit cards - as he works for a bank. He also said that Barclaycard refused to raise a complaint or transfer him to a manager when he called.

Barclaycard said:

- The bank's process was that a merchant refund can only be transferred to a bank account if the Barclaycard is in credit, which it wasn't.
- The call handler didn't refuse to log a complaint, but correctly explained the firm's policy on refunds. He tried to explain the policy on logging a complaint but Mr Z didn't give him a chance to explain that further.
- The call handler also said it wasn't Barclaycard's policy to transfer calls to a manager.
- On a second call, the call handler explained Barclaycard's policy again, which Mr Z accepted and didn't raise a complaint.

Mr Z brought his complaint to us on the same day and our investigator didn't uphold it. She said:

- Barclaycard's process was that a refund can only be transferred to a bank account if the credit card is in credit. Since that wasn't the case, the transfer couldn't be made.
- On Mr Z's points about complaint handling – this wasn't something our rules allowed us to look into.

Mr Z didn't agree and asked that an ombudsman look at his complaint, and so it has come to me to make 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.

Let me say at the outset that this service resolves individual disputes between customers and financial businesses. We aren't the regulator of Barclaycard – that's the Financial Conduct Authority (FCA). So – we don't tell businesses to change their policies or practices.

So – here, it's for Barclaycard to make its own commercial decisions as to how it runs its accounts and processes. But we do say if a customer has, or hasn't, been dealt with fairly and reasonably – based on the individual circumstances of their complaint.

So, bearing this in mind, I looked at Barclaycard's processes where refunds are concerned.

And the firm's website is clear on this – it says *“If you've received a refund from a retailer and your account is in credit, you can ask us to transfer the credit balance amount into your UK bank account....Are there any restrictions? There are a couple – the refund you'd like to transfer must*

- *Be a credit balance on your account*
- *Be transferred to your UK bank account”*

So, it's clear that Barclaycard acted in line with their processes here – as Mr Z's account wasn't in credit at the time – I heard Barclaycard's call handler say Mr Z's balance was just over £3,200 debit, and I can see his statements show that also.

It's also reasonable to me to say that this makes sense – a credit card is a revolving credit facility, with payments being made and credits received (whether these are customer payments or refunds) – with the balance being paid off or 'revolved' at the end of the period.

And thinking about the impact on Mr Z here – all the refund meant was that the balance due to be paid when the next payment was due (by 17 November 2023) was reduced by £75 – so I can't see the impact on him was very significant. So, I don't uphold this aspect of Mr Z's complaint.

I went on to consider what he said about Barclaycard not raising a complaint when he asked. I listened to both calls on 18 October 2023. On the first one, Barclaycard's call handler tried to explain the firm's policy on refund transfers and deal with the points Mr Z was making – I think that was a reasonable thing to do - I don't think every form of objection has to result in a formal complaint, and it makes sense that a firm tries to explain and resolve matters that way.

But Mr Z didn't accept the explanation. I didn't hear Barclaycard's call handler object to a complaint being raised. Mr Z then asked that he be transferred to a manager – he was told it wasn't Barclaycard's policy to do that. And again here – I think it was reasonable that the call handler tried to explain matters to Mr Z, which is what he did. But Mr Z then said he would take the matter to our service instead.

There was a similar conversation on the second call – Barclaycard's call handler explained Barclaycard's policy and said Mr Z was entitled to raise a complaint. But Mr Z then said he would take matters further elsewhere – by which I think he meant bringing the complaint to our service.

So here, on balance, I don't consider Barclaycard refused to raise a complaint, but simply tried to explain the bank's policies. And Mr Z then said he wanted to bring his complaint to us.

So, my decision is that I do not uphold Mr Z's complaint and Barclaycard don't have to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 11 June 2024.

Martin Lord
Ombudsman