

The complaint

Mr R complains that Barclays Bank UK Plc (Barclays) recycled his old savings account number. This meant an old standing order payment resumed and Mr R's money was sent to another customer for several years.

What happened

Mr R banked with Barclays and held several accounts with it - this included a savings account which he closed in May 2014.

Mr R had a standing order set up from his current account to pay £10 per month to this savings account. The standing order wasn't cancelled when the savings account was closed.

Until 2019 the standing order was returned each month. However, in December 2019 Barclays recycled the savings account number and issued it to a new customer. At this point the standing order payment was successfully processed each month from January 2020 onwards.

In August 2023 Mr R noticed the standing order wasn't being returned after his account went into a negative balance. He contacted Barclays and ultimately raised a complaint. Barclays looked into things and explained to Mr R what had happened. It offered to pay Mr R £420, the total amount he'd lost from the standing order payments, as a gesture of goodwill.

Mr R remained unhappy and brought his complaint to our Service. He said Barclays should have cancelled the standing order when he closed the account and that it ought not to have recycled the account number. Mr R also wanted compensation for the stress and inconvenience caused. He explained he has a mental health illness and that this whole matter had caused him a lot of stress and anxiety – worsening his condition.

Mr R was also unhappy that Barclays suggested on the phone to him that if he took his complaint to our Service, that our decision would not be in his favour. He said this put pressure on him and Barclays didn't handle his complaint in the right way.

When we notified Barclays we had Mr R's complaint, it made a proactive settlement offer of an additional £50 compensation in an effort to resolve things quickly. Our Investigator looked into things and was of the opinion that this offer was fair, so she explained this to Mr R.

Mr R disagreed with her view. Mr R said he'd asked about the standing order in branch in 2014 when he closed the account and Barclays told him that it would simply bounce back. Mr R said it didn't mention that it recycles account numbers. Mr R also stressed that he had significant mental health issues which Barclays was aware of.

So, the complaint was passed to me to decide. After reviewing the complaint, I was of the opinion some of Mr R's complaint points fell outside of our Service's jurisdiction. So, I issued a jurisdiction decision explaining what the rules that govern our Service meant for Mr R's complaint. Within this decision I identified that there were four parts to Mr R's complaint:

1. Mr R is unhappy Barclays recycled the account number.
2. Mr R is unhappy Barclays didn't proactively cancel the standing order in 2014 when the savings account was closed.
3. Mr R is unhappy he wasn't told he needed to cancel the standing order in 2014 despite discussing this with the branch staff member.
4. Mr R is unhappy with the way Barclays handled his complaint – in particular that he was told on the phone that if he took his complaint to our Service, that our decision would not be in his favour.

I determined that complaint points two and three had been brought to our Service too late and complaint point four was not an activity that I could consider.

However, I was satisfied that the first complaint point fell within our Service's jurisdiction. And I am now in a position to issue a final decision on the merits of this part of Mr R's 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.

As outlined in my jurisdiction decision, I was really sorry to read about Mr R's health and the negative impact dealing with all of this has had on him. I'd like to take this opportunity to wish him well moving forward and I hope that receiving a reimbursement of his funds from Barclays has helped somewhat.

I can appreciate why Mr R is unhappy with what's happened. But ultimately there are a finite combination of numbers for accounts. Given this, providing a reasonable period of time has passed after an account is closed, I don't think recycling account numbers is unfair. I note Mr R closed his account in May 2014 and the account number was reissued in December 2019 –five and a half years later. I think this is a reasonable length of time to wait. So, I'm not persuaded Barclays acted unfairly here.

My final decision

My final decision is that I do not uphold Mr R's complaint about Barclays' decision to recycle his account number.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 January 2024.

Jade Cunningham
Ombudsman