

Complaint

Mrs E is unhappy that Barclays Bank UK PLC ("Barclays") changed the way it charged her for using the overdraft facility she had on her account without notifying her in advance.

Background

One of our adjudicators looked into Mrs E's concerns. She didn't think that Barclays had done anything wrong or treated Mrs E unfairly and so didn't recommend the complaint be upheld. Mrs E disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything provided, I've decided not to uphold Mrs E's complaint. I'll explain why in a little more detail.

Before I go any further, I want to be clear in saying that I haven't considered whether the amount Barclays charged Mrs E for using her overdraft was fair and reasonable, or proportionate in comparison to the costs of the service provided. Ultimately how much a bank charges for services is a commercial decision. And it isn't something for me to get involved with.

In 2019, Barclays, in line with most banks, decided to change the way that it was charging for overdrafts. There would no longer be a distinction between arranged and unarranged overdrafts and it was moving away from charging a daily fee for using an overdraft. Barclays was entitled to make such a change as long as it provided its customers with notice.

As far as I can see, Barclays wrote to Mrs E in January 2020. This letter informed Mrs E that from 22 March 2020, the interest and fee free amount of her overdraft would be reducing from £200 to £100 and she'd be charged interest at 35% EAR if she was overdrawn by more than £100. Barclays also followed up this letter with a further letter entitled '*About your Arranged Overdraft Facility*', which set out the full terms and conditions of the Mrs E's overdraft in September 2020.

I know Mrs E says she didn't receive any letters from Barclays in advance of the change. But the letters were correctly addressed using Mrs E's address details. So while it's possible Mrs E may not have received the letters, or paid much attention perhaps because she didn't realise the significance at the time, Barclays did what it was required to.

And I don't think it acted unfairly as it appears to have taken reasonable steps to notify Mrs E of the amount that she'd have to pay to use her overdraft in advance of this changing.

It's possible Mrs E may be unhappy that this communication was sent to her by post. But while certain documents such as statement alerts can be sent by email, it is good practice

for financial firms to send formal correspondence such as notice of a variation in the terms of an account by post. So I don't think that Barclays acted unfairly in this regard.

Overall and having considered everything, while I do appreciate Mrs E's strength of feeling on this matter, I don't think that Barclays has treated her unfairly. It notified her of the change in the way that it was charging her for using her overdraft in advance of this happening and it charged her in accordance with these new terms.

So I've not been persuaded to uphold Mrs E's complaint. I realise that this will be very disappointing for Mrs E. But I hope that she'll understand the reasons for my decision and at least feel that her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 28 September 2023.

Jeshen Narayanan
Ombudsman