

The complaint

Ms C complains that Barclays Bank UK PLC gave her a cheque for the amount of her savings bond, but her other bank marked it as fraudulent. Ms C said she is seriously ill and very distressed and wanted her money back as soon as possible.

What happened

I set out what happened to Ms C with her complaint in my provisional decision, and here. *'Ms C opened a Barclays two-year bond in March 2023 for £60,000, but said she was rushed through the process, and it was half the interest rate she'd been promised. She said the details weren't clear and on 3 July she told Barclays to put her money into another bond. She said after many calls Barclays told her to go to the branch to collect a cheque. She said Barclays knew about her health situation and goaded her and asked if she would like to chat with its vulnerable customer team as though she had lost her mental faculties. She told Barclays it doesn't have power of attorney over her so it can't treat her in that manner.'*

Barclays said it tried to action Ms C's request on 4 July but couldn't as she didn't have an open account and so it wrote to say it could send a cheque. Ms C contacted Barclays on 7 July to confirm she wanted to close the bond, and a cheque was sent to her on 11 July for £60,000. Ms C's other bank wrote to her on 17 July 2023 to say the cheque was unpaid as 'Suspected Fraudulent/counterfeit Cheque discovered within the clearing cycle'.

Ms C said Barclays told her the receiving bank refused the cheque, but the other bank denied this, and she later learned it was Barclays' fault. She said on a call, Barclays was shouting at her bank and her bank shouted at her. Barclays wrote to her on 21 July 2023 that the cheque had been stopped with funds transferred to an internal account.

Ms C complained to Barclays, and it responded that due to delays it had credited her £100 by way of apology. Ms C said when she instructed payment of her £60,000 to her other bank account Barclays called her about investing the money and it was apparent that Barclays wouldn't process the payment. She said Barclays told her the account is in debit, and it had taken her funds against this, and it had frozen her account. She said Barclays had seized her money, including the £100 and two £25 payments made for payment checks.

After calling Barclays for several days Ms C said it put her money in a current account she opened for this purpose. Barclays wrote to Ms C on 26 July 2023 to confirm her payment instruction for the funds, but Ms C said it took her until 26 July to obtain Barclays' phone app so she could check the transaction. She attended Barclays branch at its suggestion, but Barclays staff were concerned about the transfer of her funds to another bank and delayed the payment. Barclays said it informed Ms C that her account was blocked on 28 July 2023. At the branch Ms C said she was questioned with 'trick jargon' and refused her money, but she refused to leave and then rang the police. Ms C said she had to call Barclays while having medical tests and she closed the bond and her current account. Ms C had a new bond open at another bank and said she needed the funds by the first week in August 2023.

Ms C referred her complaint to our service on 31 July 2023. She called us on 4 August 2023 to say Barclays had now transferred the money into her other account as requested, but she

would like to continue with the complaint due to the stress caused. Barclays wrote to Ms C the same day to say it had closed her accounts.

Our investigator didn't recommend the complaint be upheld. She said there had been delays which caused distress and inconvenience, but she thought Barclays responded fairly by acknowledging it didn't provide the best service and paying compensation. The investigator said that we can't consider Ms C's points about the bond not being as she had requested, or unclear terms and conditions as these issues need to be raised with Barclays first. She said she had focused on access to funds, delays, branch visits and customer service. Ms C disagreed with the investigator and requested an ombudsman review her complaint.

What I've provisionally decided – and why

I was very sorry to learn about Ms C's serious health condition and how this was impacted following her request for the early closure of her bond. I have looked carefully at all of the emails she sent us together with the attachments and Barclays' records to see if Barclays acted within the terms and conditions of the account and to see if it has treated her fairly.

The rules that govern how we operate require all complaint issues that we consider, to have first been considered by the business complained of. This means that I can consider the problems Ms C faced with access to funds, delays, branch visits and customer service. But I can't consider Ms C's issues with unclear terms and conditions of the bond or the interest rate or Barclays' referral of information to third parties. It is open to Ms C to raise a further complaint with Barclays about these issues.

I'm very pleased that Barclays has paid the amount of Ms C's bond to her, less the penalty for early closure. I can see that it took about a month for Ms C to obtain her money, though I don't think Barclays was refusing to pay her as she has suggested. However, her complaint now is essentially the delay, distress and inconvenience involved in the process.

Although Barclays paid Ms C £100 compensation for its delay, it told us it hadn't caused a delay as it acted as quickly as possible on her instructions but had to follow the correct process regarding payment. I can see that Barclays' terms and conditions prevent it from making a third-party transfer and can only close a bond to an existing account. Unfortunately Ms C closed her Barclays' current account at the same time as she closed her bond and so payment had to be by cheque, and when this failed, she had to open another Barclays account to receive the funds. This was inconvenient to Ms C but was not Barclays' fault.

I've looked at the cheque payment. Barclays assured Ms C the cheque's failure was due to the receiving bank, but she thinks that Barclays refused to clear the cheque. Barclays records indicate an error was made concerning the narrative number it used and there's a note that the receiving bank was unable to cash the cheque as Barclays put fraud flags against it. It would appear from this that Barclays was responsible for the failure of the cheque, and therefore the inconvenience to Ms C that followed.

Ms C went to the branch at Barclays' suggestion and asked it to make the payment to her other bank account. Barclays' staff refused her request, and she was advised to return the next day and that she would get a call from the fraud team. Barclays followed up on this by calling Ms C to ask if she would be investing her money, and if so where. Ms C felt that Barclays' staff member was hostile to her in refusing access to her money. I can see that being told to come back the next day was difficult for Ms C, but I don't agree that she had no option but to contact the police. I haven't found anything to suggest Barclays' staff member was hostile towards her.

Banks have a duty of care to protect customers from falling victim to scams and Barclays said the delays in sending the funds were in order to try to protect Ms C's account. I think Barclays' actions were borne out of concern about the safety of Ms C's money as she had requested to transfer the entire balance of her new account elsewhere. Although this looks reasonable in principle, given that Ms C's intention towards her funds was well known to Barclays by this stage and it had already tried to make payment by cheque, I don't think it acted reasonably here.

Ms C made many calls to try to resolve this matter which was inconvenient for her and distressing due to her poor health. At the point of her visit to the branch she said she was in a lot of pain and had to contact Barclays the following day whilst travelling to hospital.

Ms C said each time she contacted Barclays, she had to wait 90 minutes, and it took back the £100 compensation and kept two £25 fees for payment checks. So far as I'm aware Ms C has not had the compensation removed from her account and the payments were incurred in line with the terms of the account. Ms C said she had to borrow money to support herself, but I can't see how this links to her complaint as she was reinvesting the funds.

Ms C sent us an account extract that showed an entry on her bank account stating she owed Barclays £500,000. She said Barclays told her that they always add an overdraft of £500,000 when freezing an account, and I can see that Barclays removed this overdraft when the account closed. But I think this would have added to Ms C's distress.

It's clear Ms C's difficulty in obtaining her funds occurred during a very difficult time for her when she was undergoing treatment for a serious health condition. Barclays said Ms C didn't refer to this in her complaint and it wasn't included within its investigation. From Barclays' records the first mention of Ms C's health condition I have found was during her call on 20 July. I realise this was some way into the process, but I think Barclays ought to have been alert to the need to expedite payment from all of Ms C's interactions. As mentioned above, I also think Barclays caused delay by issuing a cheque that couldn't be cashed, which led to Ms C having to open another Barclays' account.

Accessing her money involved a lot of communication and back and forth for Ms C and she has described the uncertainty and distress that she felt. I don't think the impact of the delays is sufficiently reflected by Barclays' award of £100 and so I currently intend to uphold the complaint and award Ms C a total of £250 compensation.'

My provisional decision and the parties' responses

I provisionally decided to uphold the complaint and intended to require Barclays pay Ms C £250 compensation in total, to include the £100 it has already paid her.

Barclays said it agreed with the provisional decision and is prepared to pay the additional £150 compensation for Ms C's distress and inconvenience.

Ms C said the chain of events happened while she was suffering with health problems which continue, and travelling to hospital. She said Barclays knew about this, which made its treatment of her worse and it kept her on the phone for hours and days and she was told to visit the branch where she received bad treatment by the staff.

Ms C maintains that Barclays stopped her other bank from clearing her cheque as it was infuriated about her transferring the funds away. She said this happened on three separate occasions as Barclays told the other bank the funds were fraudulent. Ms C said Barclays was a nightmare to cope with and put her account £500,000 overdrawn.

Ms C said Barclays left her with no money which she needed to pay for an operation and the delay caused her health complications, and she cannot sleep through stress and pain. She said when Barclays eventually made the payment it closed her account and told a government department she had fraudulent money and to stop making payments to her.

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.

In her response to my provisional decision Ms C set out the reasons for her complaint again. These are the points I considered in my provisional decision with the findings set out above, and I have not seen any new information. Ms C hasn't commented on the compensation I proposed to award or the reasons I provided for the increase, she has said that she wants to be compensated for the stress and financial loss she has endured.

I have looked carefully at the circumstances of Ms C's complaint again. Ms C closed a Barclays' bond and asked for a bank draft to put her funds into an account she held with another bank.

Barclays has acknowledged that there were issues transferring the funds to Ms C after she decided to close her bond early and her bank account at the same time. Barclays said it acted as quickly as possible on Ms C's instructions but can only close a bond to an existing account. I can see from the records of the transfer that it took Barclays about a month to pay the funds to Ms C. I haven't seen anything to suggest that Barclays was refusing to pay Ms C or was infuriated by her desire to transfer the funds away from Barclays.

Ms C said it wasn't the case that payment delay was due to her closing her Barclays' accounts, but she hasn't explained why this wouldn't have caused difficulties. By closing her accounts payment had to be by cheque, and when this failed, Ms C had to open another account to receive the funds. This was inconvenient to Ms C but was not Barclays' fault.

However, I remain of the view that Barclays was responsible for the failure of the cheque for the reasons given above, and therefore the inconvenience to Ms C that followed.

I have set out the events of Ms C's branch visits, the phone calls and the inconvenience she faced. Ms C is correct to say it took some lengthy phone calls with both banks on a three-way cross call to work out what the problem was and resolve it. Ms C also had to attend the branch and from there phoned the police as she was unhappy with her treatment. I think the Barclays' staff acted professionally in their contact with Ms C, but I don't think the bank's security concerns were justified given what it knew about Ms C's circumstances.

The overdraft of £500,000 temporarily attached to Ms C's account was explained to her at the time by Barclays as a measure to ensure she didn't spend the funds that were at the time in question. I can see why Ms C would find this disconcerting, but I think the explanation from Barclays makes sense given that it was questioning the cheque at the time. The overdraft was removed as soon as the cheque was verified.

I was sorry to learn about Ms C's difficulty in obtaining her funds during a very difficult time when she was undergoing treatment for a serious health condition. This took a month to resolve and as mentioned above, I think Barclays caused delay by issuing a cheque that couldn't be cashed, which led to Ms C having to open another Barclays' account. It was some way into this time when Ms C first mentioned her health condition, but I think Barclays should have expedited the payment from all of Ms C's interactions.

Putting things right

Having reconsidered the interactions between Ms C and Barclays and the time and uncertainty she was caused by the process, I remain of the view that Barclays should pay Ms C a total of £250 compensation for the distress and inconvenience she was caused.

My final decision

For the reasons given here and in my provisional decision the complaint is upheld. I require Barclays Bank UK PLC to pay Ms C £250 compensation in total, to include the £100 it has already paid her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 4 April 2024.

Andrew Fraser
Ombudsman