

## **The complaint**

Mr R and Ms G complain that Barclays Bank UK PLC wrongly processed a payment as one lump sum rather than four separate ones to HMRC. As a result Mr R says the full payment has not been credited to his tax account and he has suffered financial loss. The payment was from a joint account but as it concerned Mr R's payments I shall refer just to Mr R in this decision.

## **What happened**

In October 2022 Mr R went into a branch of Barclays. He wanted to make a payment to HMRC in respect of National Insurance Contributions (NICs) for four separate tax years. However he says that in error Barclays processed the payment as a single lump sum. He says that HMRC didn't receive the entire payment and only credited his tax accounts for two tax years and that it was nearly £700 short, relating to the other two tax years. He went back into the branch in May 2023, and it was confirmed to him that the payment had been made in full. He asked for a letter confirming this, but says that as the letter did not set out the payment made, HMRC wouldn't accept this.

Mr R says he was told by HMRC that he should cancel the payment and resubmit it, and asked Barclays to do this. Barclays attempted to recall the payment but HMRC rejected this saying that the payment had been allocated to Mr R's tax accounts.

On referral to the Financial Ombudsman Service, Mr R advised that he had received letters from Barclays but as they were not signed he suspected they were fraudulent. He also said that the effect of HMRC not receiving the full payment has meant that he is now being required to pay further charges of over £1,000.

Barclays offered £100 compensation in respect of poor service. After our Investigator reviewed Mr R's complaint, she advised that she thought that to be reasonable.

Mr R did not agree and said that, as well as financial losses, he has suffered from health issues because of Barclays' error.

The matter has been referred to me for an Ombudsman's consideration.

## **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.

Firstly I have noted that Mr R has set out detailed complaints to us. I have considered them in full, including all his communications up to and including the date of this decision. However as our process is intended to be informal, I won't set out a response to every point raised in his complaint.

In respect of Mr R's visits to the branch in October 2022, there are regrettably no customer notes. However Barclays has indicated that the process would be that the customer will be

required to insert their card and enter their PIN. The details of the transaction would be on the screen. I don't know whether Mr R requested that the payments be sent in four separate transactions or as one lump sum. But it doesn't seem likely to me that Barclays would have told him or advised him to carry out the transaction as one payment if he'd wanted to have four separate payments. In any event I think it likely that he would have seen the details of the payment before it went out. And I've noted that there was just one reference number rather than four separate ones.

I can see from Mr R's bank statement that the full payment was made to HMRC. Payments can go astray if incorrect references or numbers are inputted. But as Mr R tells us that HMRC has said it has received the bulk of the payment, I think it's unlikely that part of the payment would go astray. Indeed I think it's far more likely that if HMRC has not credited the full payment to Mr R's tax account then the error must be from HMRC's end rather than Barclays'.

I've noted that Mr R says he was told by HMRC to cancel the payment and resubmit it in separate payments. At his request Barclays attempted to do this in June 2023 but this was rejected by HMRC as it had already credited the payments to Mr R's tax accounts. And again if HMRC was able to credit two years of NICs out of the single payment I can't see why it shouldn't be able to trace the payments relating to the other two tax years. Both Barclays and our Investigator contacted HMRC, and it does appear that this should be possible.

So I'm not persuaded that Barclays made an error, as I think that the full amount of the payment was made to, and was likely received by, HMRC. I fully understand that Mr R says he has made financial losses, but I don't think that Barclays was responsible for those losses. So I won't be asking Barclays to make any payment in that respect.

As to Barclays' customer service to Mr R, I've noted that he approached Barclays about the matter in May 2023. It produced a letter confirming that the payment was made from his account in full. It would have been more helpful if the letter had shown the amount paid, but it did refer to Mr R's October statement, which he could have produced to HMRC.

Mr R complained further to Barclays in June 2023. And Barclays did attempt to recall the payments at Mr R's request. Barclays did write subsequent letters to Mr R, including a final response letter and a follow up letter in July 2023. Whilst Mr R suspects they were fraudulent as they were not signed, I don't think they are and they are consistent with the information we've received from Barclays. So I'm not persuaded that Barclays was responsible for any delay in attempting to resolve the issue for Mr R.

As regards any further correspondence Mr R sent to Barclays after its final response letter, it was a matter for Barclays whether it considered it should respond further. However as the said final response letter made it clear that if he was still not happy he could refer his complaint to this service, it wasn't obliged to respond further if it didn't think it would take the matter any further forward.

Barclays has offered £100 for its poor service. It hasn't agreed that it made an error but I think this was in recognition of the fact that Mr R was clearly distressed about the matter. And it could have set out the detail of the payment in the letter to HMRC, rather than refer to a bank statement.

I understand Mr R has been distressed about the matter and he tells us that it has affected his health. But in light of my findings I think that overall Barclays' offer of £100 compensation is fair and reasonable.

## **My final decision**

Barclays has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Barclays Bank UK PLC should pay £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Ms G to accept or reject my decision before 9 April 2024.

Ray Lawley  
**Ombudsman**