

The complaint

This complaint is being brought by a business who I will call Business B.

Business B complains that Barclays Bank UK PLC stopped a payment resulting in it losing out on a significant purchase.

Mr H complains on behalf of the business, so I will refer to him throughout my decision.

What happened

In June 2024, Mr H registered for an auction and transferred £4,795 from his business account, using his wife's card, to the auction house with the intention of using it to bid on some land the following day.

The next morning, he noticed that the transfer hadn't gone through. Mr H said he called Barclays and was told that no payment had been made meaning he should try to make it again.

Mr H said he checked his online banking and couldn't access it so called Barclays again. He was then told he would need to be put through to the fraud team as the transfer had been flagged. Once there, Mr H was told they would need to speak to his wife as the payment had been made using her card. Mr H's wife wasn't with him and by this point the auction had already started meaning he could no longer bid. The payment was cancelled and later that day, Mr H called with Mrs H so that she could authorise the removal of any blocks.

Mr H complained as the account details for the auction house had been verified by Barclays online banking when the transfer was made. He was also unhappy that he had made the first call to Barclays and had been told to try the payment again, but it wasn't until the second call was made that he was told they needed to speak with his wife. At this point it was too late.

Mr H explained that the land he wanted to bid on didn't come up frequently, if at all, so the fact he was able to find it in the right location, at a price that he could afford was a rare opportunity. He also said the land sold for significantly less than what he was willing to bid, meaning had the payment gone through on time, he would have won the auction.

Barclays responded and explained that the payment was deferred for additional security checks to make sure the account was safe from potential fraud or scams, and as it had been made using Mr H's wife's online banking details, she was the only person who could authorise it. Barclays said they tried to contact her, but didn't receive a response.

In relation to the first phone call made by Mr H, Barclays said at the time the agent wasn't able to provide the necessary explanation as they couldn't see any evidence of the payment being made. This is because the note regarding the delayed payment hadn't been added to Mr H's record, it had been added to his wife's as the payment had been made through her online banking.

Mr H remained unhappy so brought a complaint to our service. Our investigator looked into everything and was of the opinion that Barclays hadn't done anything wrong. He explained that in relation to stopping the payment, banks have an obligation to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. He acknowledged that this can cause distress and inconvenience to a customer, but it doesn't necessarily mean the bank have acted incorrectly. Because of this, he was satisfied Barclays had acted in line with their terms and conditions when trying to protect the account.

He also explained that the first call took place at 09:32am, and Barclays tried to contact Mr H's wife at 09:39am, meaning the agent on the first call wouldn't have seen any notes about what had happened. He also noted that the payment had been made at 07:38pm on 26 June, and so the calls to Mr H's wife had been made within banking hours of nine to five, once they had opened on 27 June. Our investigator therefore couldn't find that any delays had occurred in Barclays contacting Mr H's wife.

Overall, our investigator couldn't find that Barclays had made any error. In addition, he explained that even if Mr H's wife had given her authorisation in time, there is no way of being certain that Mr H would have been successful in winning the auction. Because of this, he wasn't able to ask Barclays to do anything.

Mr H disagreed. He said that he should not have been told when he first called Barclays that no payment had been made. He therefore asked for a final decision and so the case has been passed to me for review.

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.

Having done so, I agree with the outcome reached by the investigator. I know this will come as a disappointment to Mr H, so I want to explain why I've reached the decision I have.

Banks have a responsibility to keep their customers' money safe, and this means that sometimes, they will stop a payment from going through so they can check it's genuine and not fraudulent.

In this case, Mr H made the payment from his wife's card, meaning the system notes were added to her profile. Because of this, the first agent that Mr H spoke to didn't see what had happened to the payment, and incorrectly told him it hadn't been made, when it had.

I understand that during the second call, Mr H was asked further questions about how the payment had been made, and it was then the agent realised the payment had been stopped as it had been made using Mr H's wife's card. By this time, Mr H says his wife wasn't there to authorise the payment's release.

While I appreciate Barclays gave Mr H the incorrect information during the first call, I can see that they did try to contact his wife a few times but didn't receive any reply. Had Mr H's wife responded to the contact made by Barclays, she could have authorised the payment. I appreciate she wasn't with Mr H at the time of the second call, but as the payment was made using her card, it would have been for her to ensure the payment went through and if it didn't, to discuss this with Barclays to allow it to be processed in time.

I also do appreciate that the land sold for a lot less than what Mr H was willing to pay and I can understand the frustration that came with this. However, I cannot be certain that he would have won it, had he been able to enter the auction. Mr H could have entered the

auction, but him bidding on the land could have resulted in the actual buyer bidding higher, creating a bidding war. There is no way of knowing whether Mr H would have been able to purchase the land. So although I do appreciate his point in that it sold for less than what he was willing to bid, our service can only look at what did happen, we cannot comment on what could have happened as we have to remain impartial and be fair to both parties.

It may also help for me to explain that at our service, we award compensation to consumers for distress and inconvenience. This complaint has been brought by a business, who is the eligible consumer. As a business cannot experience distress, or trouble and upset, we rarely award compensation for them.

We can award compensation if we feel a business has suffered inconvenience as a result of a bank's failure, but in this case, I'm not satisfied that Mr H's business has suffered inconvenience as the situation was discussed over the phone and the payment was cancelled and access to online banking was restored within 24 hours. I therefore can't ask that Barclays pay any compensation.

Overall, while I do agree that Mr H could have been given the correct information during the first call, I can't be sure that he would have won the auction. I also note that Barclays did try to contact his wife more than once but didn't receive any response and therefore could not release the payment until they were able to speak with her later that day, as the payment had been made using her card.

Because of this, I'm not able to ask Barclays to award any compensation to Business B, as I can't be satisfied it has suffered any inconvenience as a result of what happened. I know Mr H will be disappointed with this, but I hope I have explained my reasoning in detail, and that he feels reassured that someone impartial has considered this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Business B to accept or reject my decision before 14 January 2025.

Danielle Padden
Ombudsman