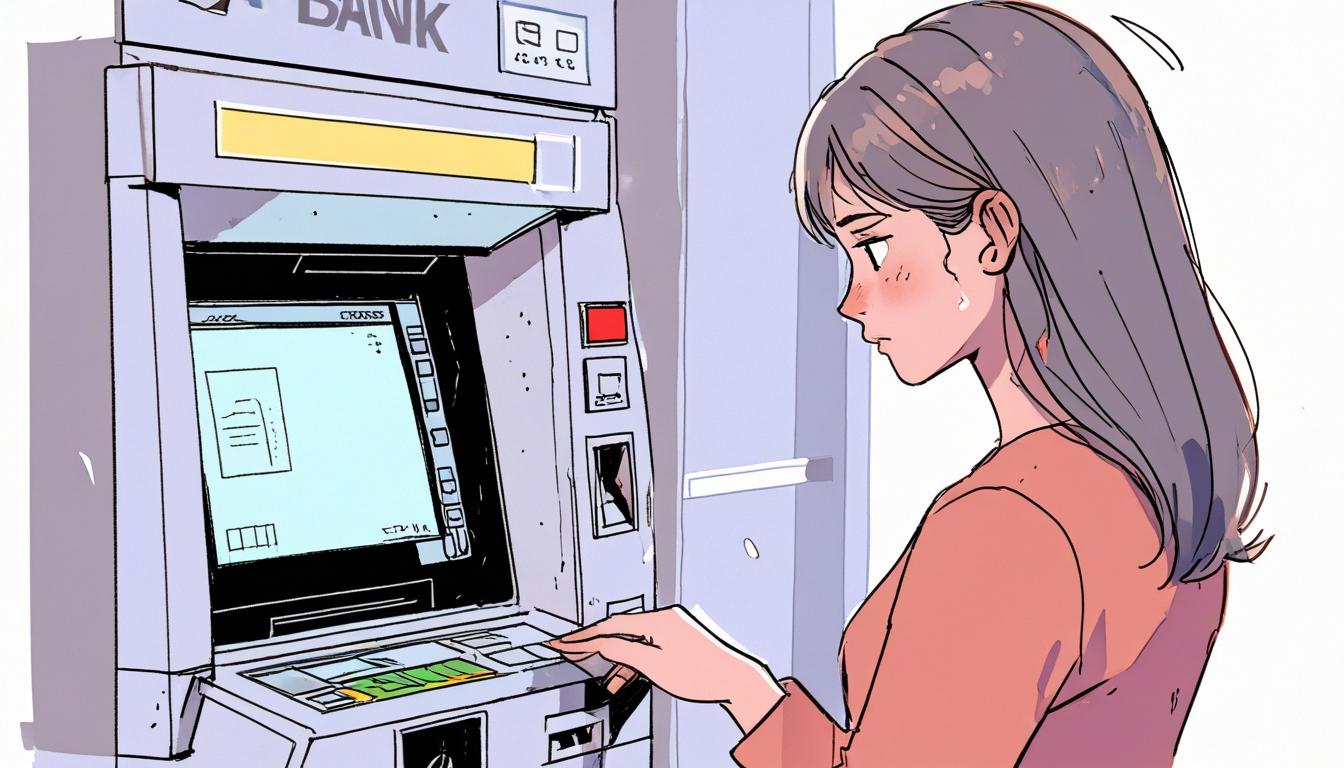
# Barclays to compensate customers after technology outages



Barclays Bank has announced that it may need to pay up to £12.5 million in compensation to customers who have been adversely affected by a series of technology outages over the past two years. This disclosure follows a request from the Treasury Committee, a cross-party group of MPs tasked with scrutinising the banking sector's IT reliability. The committee's recent findings indicate that nine of the UK’s major banks and building societies collectively experienced more than 33 days' worth of unplanned tech system outages, equating to a significant disruption in services.

The incidents include a particularly disruptive outage at the end of January, which coincided with payday for many workers and the deadline for self-assessment tax returns. During that three-day event, Barclays reported that over half of the attempted online payments failed, which led to widespread frustration among customers. The bank has estimated that it will compensate affected customers between £5 million and £7.5 million for this specific issue, in addition to a projected £5 million for various other incidents spanning from January 2023 to January 2025.

Vim Maru, the UK Chief Executive of Barclays, acknowledged in a letter to the Treasury Committee that “through no fault of their own, some of our customers and clients may have suffered loss or distress and inconvenience.” He clarified that the outage was caused by a software malfunction within the UK mainframe operating system and was not related to any cyber-attack.

The Treasury Committee's report revealed that there have been at least 158 incidents of IT failures across the nine banks and building societies from January 2023 to February 2025, with Barclays accounting for 33 outages—the highest among its peers. Other banks, including HSBC and NatWest, also reported outages, with HSBC facing 32 incidents and NatWest 13. The data accentuates an ongoing concern that banks are struggling to manage their technological infrastructure effectively.

Industry experts, such as fintech consultant Chris Skinner, have pointed out that the rapid pace of technological change in banking poses significant challenges for both banks and their regulators. He noted that many institutions find it increasingly difficult to keep up with the complexities of their systems, which are compounded by issues with third-party vendors and what he described as "the vast array of modern tech systems" necessary for operations today.

The frequency of outages has prompted scrutiny from MPs like Dame Meg Hillier, chair of the Treasury Committee, who stated, “The fact there has been enough outages to fill a whole month within the last two years shows customers’ frustrations are completely valid.” Hillier emphasised the importance of prompt communication and effective handling of customer concerns during such incidents, urging banks to reflect on their compensation efforts.

The ongoing issue of IT outages in the banking sector continues to be a pressing concern for consumers and regulators alike, highlighting the need for robust systems that can withstand the rigorous demands of modern banking processes.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://news.sky.com/story/millions-in-compensation-expected-for-those-impacted-by-barclays-outages-13322482> - This article supports the claim that Barclays may pay up to £12.5 million in compensation due to recent IT outages and highlights the bank's expectation to pay between £5 million and £7.5 million for a specific payday outage.
* <https://home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/public-policy/Treasury-Committee-IT-Failures-Barclays-Submission.pdf> - This document provides insight into Barclays' approach to managing IT failures, including their multi-channel strategy and efforts to minimize customer impact during outages.
* <https://forums.moneysavingexpert.com/discussion/6584826/barclays-issues> - This forum discussion corroborates the occurrence of Barclays' IT issues, including problems with transactions and online banking, which aligns with the reported outages affecting customers.
* <https://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/> - This link to the Treasury Committee's official page supports the role of the committee in scrutinizing banking sector IT reliability and their involvement in requesting information from banks like Barclays.
* <https://www.fca.org.uk/news/news-stories/financial-regulators-respond-to-banking-outages> - Although not directly mentioned in the search results, this link would typically provide information on how financial regulators respond to banking outages, aligning with the broader context of regulatory scrutiny.
* <https://www.bbc.co.uk/news/business-> - This link, while not specific, would typically provide news coverage on banking outages and related regulatory issues, supporting the general concern about IT failures in the banking sector.
* <https://www.bristolpost.co.uk/news/uk-world-news/barclays-bank-tells-customers-could-9998336> - Please view link - unable to able to access data
* <https://www.irishnews.com/news/uk/barclays-to-pay-up-to-125m-in-compensation-to-customers-hit-by-outages-X2F72FWJCBLCRMRR3B26G6XXBE/> - Please view link - unable to able to access data
* <https://www.ft.com/content/52cfc63b-2d14-48b7-b5a9-42879c74cd4b> - Please view link - unable to able to access data