# Barclays set to compensate customers following major banking outage



Banking giant Barclays is poised to pay significant compensation, ranging from £5 million to £7.5 million, following a service disruption that impacted customers' ability to conduct online and mobile banking at the end of January 2023. The outage coincided with a critical period for many customers, occurring during payday for numerous account holders and coinciding with the deadline for self-assessment tax returns.

The outage, which lasted from January 31 to February 2, saw more than half (56%) of online payment attempts fail due to “severe degradation” in the performance of the bank's mainframe computer, which is used extensively by large organisations for bulk data processing. While online and mobile banking services were down, customers were still able to use their debit cards for transactions, including withdrawals from ATMs.

In a letter to the Treasury Select Committee, which was investigating IT outages among UK banks, Barclays UK chief executive Vim Maru stated that the bank is undertaking a "proactive remediation effort" to identify all affected customers. Maru elaborated that the bank is focusing on supporting “customers with vulnerable characteristics” and assured that “no customer will be out of pocket as a result of this incident.”

Martin Lewis's Money Saving Expert (MSE) also addressed the situation, noting that the disruption left some customers unable to receive January wages and hindered essential payments. MSE highlighted that the late nature of the outage could lead to additional financial difficulties for some customers, including late payment fees and interest charges. MSE advised that customers who may have been left out of pocket and have not yet been contacted by Barclays should reach out to the bank for support.

A Barclays spokesperson expressed regret for any disruption caused and reiterated the bank's commitment to its customers, clarifying that they are working diligently to ensure that all services remain available. The spokesperson welcomed the Treasury Select Committee's engagement, reaffirming that the bank’s primary focus is to support and serve its customers effectively.

Compensation is also expected to cover earlier incidents, with Barclays estimating an additional £5 million payout for other disruptions that occurred between January 2023 and 2025. The compensation plan comes as part of Barclays' broader efforts to mitigate the impact of the outages on its customer base.

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

## References

* <https://www.inyourarea.co.uk/news/barclays-to-pay-up-to-12-5m-in-compensation-to-customers-affected-by-it-problems> - This article corroborates Barclays' plan to pay compensation to customers affected by IT outages, including a recent incident where over half of online payment attempts failed. It also mentions the bank's broader efforts to address past disruptions.
* <https://www.the-independent.com/business/barclays-app-website-customers-outages-compensation-b2709965.html> - This article supports the claim that Barclays may pay up to £12.5 million in compensation for IT outages over the past two years. It details the bank's response to a significant outage at the end of January and its proactive efforts to support affected customers.
* <https://www.inyourarea.co.uk/news/barclays-to-pay-up-to-12-5m-in-compensation-to-customers-affected-by-it-problems> - This article provides context on the frequency of IT outages among major UK banks, highlighting that such disruptions often coincide with paydays due to high transaction volumes.
* <https://www.the-independent.com/business/barclays-app-website-customers-outages-compensation-b2709965.html> - This article explains that the recent outage was due to a software issue within Barclays' mainframe operating system and was not a cyber attack. It also mentions the Treasury Committee's inquiry into IT failures across UK banks.
* <https://www.inyourarea.co.uk/news/barclays-to-pay-up-to-12-5m-in-compensation-to-customers-affected-by-it-problems> - This article mentions Martin Lewis's Money Saving Expert highlighting the potential financial difficulties faced by customers due to the late timing of the outage, including late payment fees and interest charges.
* <https://www.the-independent.com/business/barclays-app-website-customers-outages-compensation-b2709965.html> - This article supports the claim that Barclays is focusing on supporting customers with vulnerable characteristics and ensuring no customer is left out of pocket due to the incident.