

## **The complaint**

Mr R complains that Barclays Bank UK PLC wrongly closed his account, registered a CIFAS fraud marker and wouldn't allow him access to his money.

## **What happened**

Mr R was told by Barclays that his account would be restricted and found out that the marker was registered. Although he was told he could go to a branch to get access to his money that was incorrect. And he says he had to make three branch visits with a broken leg and was dealt with rudely. He and his family had to borrow money from others. And then Barclays decided to re-open his account and remove the marker. It had offered to pay him £400 in compensation, but he didn't think that this was sufficient.

Our investigator recommended that the complaint be upheld, and Mr R be paid £600 in compensation. Barclays had received a report that Mr R had received fraudulent funds on 24 April 2020, and it had added a CIFAS marker on 30 April 2020. It had decided to close his account on 1 May 2020 but had reversed this decision on 19 May 2020 and removed the marker. It had clarified that the reason for telling Mr R his account would be closed was because it had found he was using it for business purposes.

In line with guidance from CIFAS Barclays was required to have sufficient evidence to show that Mr R had attempted or committed a fraud or financial crime. By its own admission it didn't have this. So, while it was appropriate to block the account while it investigated this it shouldn't have added the marker. There was no real justification to close the account without warning when it discovered Mr R was using the account for business purposes.

Mr R had explained the amount of time he had spent on the telephone to Barclays and that he had to visit three times to access the remaining money in his account of over £4,000. He was overdrawn for the first time ever at a different financial business and had to borrow money from relatives which was embarrassing. He felt very stressed and felt that he couldn't cope as his money and his ability to work on a self-employed basis was affected. This all happened during a global pandemic when everything was more difficult and complicated.

Barclays didn't agree that the increased compensation was appropriate and asked that an ombudsman review this. These problems were all resolved within a three-week period and it said its offer was fair.

Mr R said he would accept this amount having previously indicated that he wanted about £2,000 when asked by Barclays.

## **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.

Here I don't need to make findings about the CIFAS marker or account closure as Barclays has accepted it didn't have a reasonable basis for either. The issue I am looking at is compensation for what happened. And I can see that Barclays has taken what happened seriously and already made an offer to Mr R. I don't think it has a basis to dispute what it says about the impact on him. And that when he was in a branch desperate to get access to his money as he was told he would be able to have done that he was escorted out and felt humiliated. It is accepted that this was all a very unfortunate set of circumstances.

### **Putting things right**

The amount of compensation is a matter for my judgement taking into account our published guidelines about trouble and upset. I can see from Barclays' case notes that it notionally calculated its offer on the basis of £150 for the immediate closure of the account, £100 for the incorrect loading at CIFAS and £150 for the incorrect information and poor service. We tend to look at things as a whole, but I do think that important aggravating factors were the delay in allowing Mr R access to his money especially when there was no basis to think he had been involved in fraud and the inconvenience of the related repeated branch visits. Having listened to a call Mr R had with this service I can appreciate the specific stress that this matter caused him.

He has said he will accept £600. Having considered this carefully I agree with our investigator's reasoning for the increase and find that £600 is the appropriate and fair amount to reflect what happened to Mr R in these specific set of circumstances.

### **My final decision**

My decision is that I uphold this complaint and I require Barclays Bank UK PLC to pay Mr R £600 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 March 2021.

Michael Crewe  
**Ombudsman**