

The complaint

Mr G complains that Barclays Bank UK PLC closed his account, wouldn't let him have the balance and registered a marker at CIFAS, the national fraud database.

What happened

Mr G contacted Barclays on 27 September 2019. He had over £2,000 in his account but a payment he had been trying to make had been declined. He then found out that the money had been taken from his account and that Barclays had closed it. He complained and Barclays said it would pay him £350 in compensation for the inconvenience but wouldn't allow him to have the money or reinstate his account.

Barclays said that it had a report that money credited to Mr G's account had been obtained fraudulently. It had initially registered a CIFAS marker but removed this. But it said that it has returned the money that remained to the sending bank as it was required to do. It had no longer wanted to offer Mr G an account. It recognised the period of time before it issued a response to his complaint in January 2020 and the inconvenience caused. And that Mr G had been given incorrect information about when he should call and couldn't be put through at times when he did. And that's why it offered him compensation.

Our investigator didn't recommend that Barclays do anything further. It had received a report that the money paid in to Mr G's account on 27 September 2019 wasn't rightfully his. Mr G had explained that he worked at night and was paid in cash. And that he had asked someone else to pay money into his account. There had been total credits of £4,200. And Mr G had withdrawn £2,000 in cash that day from a branch which he says was to pay into a different account. That didn't seem to make sense as he could have either transferred it or dealt with the cash himself in the first place. The whole point of him having someone else pay the money into the account was so he didn't have to go a branch after his nightshift. Mr G had also said that the person who had paid the money in for him was a friend and seemed to have forgotten his full name and hadn't had much contact with him. But the point was that the money that had been paid in wasn't Mr G's and so he would need to contact his friend about it.

There was no marker now added by Barclays which would affect his ability to get an account elsewhere. He'd listened to calls Mr G had made about what happened and agreed that he had received poor service and incorrect information. His complaint was logged on 10 October 2019, but he hadn't had a response until January 2020. The compensation reflected all this.

Mr G didn't agree. He said he wanted more compensation. He thought that he should receive £750 for the period of time it had taken to resolve things and which he said had been going on for more than 12 months. He had been caused embarrassment when turned down for credit and had to use a credit card instead of a cheaper loan. He wanted £500 to reflect that he had to make a number of calls during the day when he worked on a nightshift. And he said that the poor service he had received, and delay should be reflected in a higher payment too.

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.

I've noted that Mr G first contacted this service in October 2019 after he had made a complaint to Barclays. And Barclays issued a final response in January 2020. It's confirmed that the marker was removed when it provided the details of its position to this service and so while I appreciate we then had to investigate things its stance hasn't since changed.

Our investigator has set out the circumstances of the credits to Mr G's account. Mr G has provided payslips showing he was paid in cash. I don't have anything to corroborate what he says about expecting to receive the specific amount of cash into his account on 27 September 2019. I am satisfied that the cash that was paid in wasn't his even if that's what he thought. The person who has been shown to have sent it didn't think that it was being sent to Mr G. And Mr G's clearly not been in a position to show that this wasn't the case. That made things complex and I can see why Barclays initially took the view that he had been involved in accessing fraudulently obtained money. A large part of it was withdrawn in cash that day and an attempt had been made to make a payment for almost all of the remainder.

Having looked into things Barclays has decided that it didn't have sufficient to maintain the marker at CIFAS. There's a high bar for the marker and I've have expected it to be able to demonstrate it had reasonable grounds to think Mr G had committed or attempted fraud or a financial crime. Barclays decided that it couldn't demonstrate this and effectively accepted that Mr G acted unwittingly in accessing this money. Having listened to the call recordings he had with Barclays about the money removed from his account without his knowledge I can see why it took that view.

This means that the person who arranged for Mr G to have the money didn't send him the actual money Mr G says he had entrusted with him. I have to say that the arrangements and contact Mr G had with this person do seem quite vague especially given the amounts involved. And that clearly makes it difficult for Mr G to pursue this any further with that person. But I don't find that Barclays should have refunded the money.

Barclays in the circumstances decided that it didn't want to provide Mr G with banking facilities any further. I consider that was a commercial decision made in line with the terms and conditions of the account and it's not one that I am going to interfere with.

I take into account that the person arranging the fraud was responsible for a significant element of inconvenience and distress for Mr G. But he also received poor service and incorrect information from Barclays when he called – for example being told that the credit card department had for some reason taken his money – when that was actually down to the fraud department. He was unhappy to have to make repeated calls during the day when he wanted to be resting from his night shift. And I also agree that had Barclays considered his case earlier then it oughtn't to have been necessary for the marker to be applied and then removed. As I said above Barclays had given its offer by January 2020 and I'll explain why I am not departing from that. So, the time since then isn't something I can say was due to the actions of Barclays.

I have considered everything Mr G has said. We don't make punitive awards and tend to look at the overall impact of what happened rather than units of time. I don't have the evidence to quantify any specific financial loss caused by Barclays especially as I can't know what would otherwise have happened in the period before the marker was removed. I do agree that Mr G has been caused unnecessary inconvenience and received poor service.

But I know I am going to disappoint him when I say that Barclays' offer of compensation of £350 is a reasonable one and I won't be asking it to do more than this.

My final decision

Barclays has offered to pay Mr G £350 to settle this complaint and I think that this is fair in the circumstances. So, my decision is that Barclays Bank UK PLC should pay Mr G £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 May 2021.

Michael Crewe
Ombudsman