

The complaint

A company which I'll refer to as W complain that contrary to its instructions to allow one of its directors, access to only one of its business accounts, in error Barclays Bank UK PLC granted the director access to all of them.

In bringing the complaint W is represented by Mrs G who on behalf of W had given the bank those instructions.

What happened

The background to the complaint is well known to the parties so I won't repeat it in detail.

Briefly, however, W has a number of business accounts with Barclays. In June 2018, on behalf of W, Mrs G gave instructions to Barclays to allow a fellow director, Ms H, access to one of W's business accounts so that she could pay invoices and refund deposits paid to W.

In December 2020 Ms H asked Barclays to fix an issue she was experiencing with access to W's on-line banking facility. For this to be done, Ms H's existing access had to be removed temporarily and then reinstated. On reinstatement, however, and not realising the restriction to which Ms H was subject, Barclays gave Ms H unrestricted access to all the other accounts held by W.

The bank's error was put right within a couple of hours after Mrs G called Barclays to point out what had happened. Barclays apologised to W and paid £100 in compensation.

W didn't believe Barclays' system for the protection of its accounts was fit for purpose because it said a similar incident had happened before for which the bank apologised and promised it wouldn't happen again. W said the bank had caused a breach of W's data and should pay substantial compensation, in addition to ensuring that it operated a more secure system.

Barclays believed that having acknowledged and apologised for their error and paid £100 compensation, they'd done enough to put things right. W disagreed and referred its complaint to this service.

In their submission to us Barclays amplified their reasons for believing they'd done enough to compensate W.

In summary they said:

- Limiting Ms H's access in the way W wanted couldn't be readily accommodated within the bank's systems. So, in order to do so they had to find a 'work-around' that wasn't automated. That being the case there was the inherent risk of human error which was what occurred in December 2020 when Ms H's access was reinstated by an employee.

- It's acknowledged the bank failed to protect W's agreement with Ms H that she should only be allowed on-line access to one business account. Nonetheless, as a director of the W, Ms H had certain rights under the Companies Act 2006 – such as the right to access W's accounting records, including all the information held in its other bank accounts. Therefore, there was no data breach.

Our investigator acknowledged there were system constraints which meant fulfilling W's instructions was less straightforward for Barclays. But she didn't think it could be assumed as the bank suggested, that although Ms H, was a director she had any significant control over W and be in a position therefore to be fully aware of the financial position of the company.

So, the investigator concluded Barclays had a responsibility to ensure that W's instructions to limit Ms H's access to its accounts were followed and to take reasonable steps to ensure that happened. She was persuaded that Ms H's awareness of the funds in all W's accounts, caused issues within W – including Ms H's unease about restrictions on her own spending in light of what appeared to be sufficiently available funds. In the circumstances, therefore the investigator recommended that Barclays pay an extra £150 in compensation.

Barclays accepted the investigator's recommendation, but W did not. It didn't think the compensation recommended by the investigator fairly recognised the seriousness of the bank's error. So, W's complaint has been referred 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.

Barclays have accepted they made an error when they granted Ms H access to all W's business accounts. And as noted above they've agreed to pay the extra £150 compensation recommended by the investigator.

So, what I have to decide is whether the amount when considered alongside what Barclays have already paid fairly compensate W for what the bank did wrong.

I understand how personally upsetting Mrs G found the latest error by Barclays, particularly as she explained the bank had granted Ms H unauthorised access previously.

But it's worth noting this is a complaint brought on behalf of W about what the bank did wrong in December 2020. And whilst I appreciate Mrs G was understandably upset by what happened it is the impact of the bank's actions on W, the limited company that I must consider. And to that end, I bear in mind that as a limited company W cannot suffer upset although it can be inconvenience by the bank's actions.

Barclays have been unable to say for sure whether Ms H did view all W's other business accounts after she was given access. But Mrs G believes she might have done and for that reason argues the bank has been responsible for breaching W's data.

But it's perhaps worth noting generally that data protection legislation which at different times included both the Data Protection Act and the General Data Protection Regulations only applied to data relating to individuals. So, in relation a limited company which W is, the protection doesn't apply.

I appreciate W would like Barclays' systems to be better able to prevent the same incident happening again. Barclays have explained that because they have to operate a 'work around' to accommodate W's wishes, they cannot eliminate the possibility that human error could lead to a recurrence. But I cannot compel Barclays to change their systems. That's a matter for the bank's own commercial discretion.

That being said I agree with the investigator that this matter caused some inconvenience to W. Ms G had to spend time for example calling the bank to report its error and to ask it to put things right. But, the bank did so within a relatively short timeframe – within two hours.

Also, Mrs G describes Ms H as a trusted colleague. So, although like the investigator, I also think following what happened there's likely to have been scope for tensions around allocated spending within W, given Mrs G's description of Ms H it doesn't suggest Ms H would have behaved inappropriately.

Putting things right

So, having considered this, I agree with the investigator that a payment of an additional £150 in this regard is fair and reasonable in all the circumstances of the complaint.

My final decision

My final decision is that Barclays Bank UK PLC should pay W £150 in full and final settlement of this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 12 May 2022.

Asher Gordon
Ombudsman