

The complaint

A company, that I'll refer to as N, complains that Barclays Bank UK PLC delayed in opening a business bank account and this caused financial difficulties. Ms W, who is director of N, brings the complaint on N's behalf.

What happened

In October 2020 Ms W applied for a business bank account for N with Barclays. Barclays said it needed Ms W to update her personal identification details and to do this she had to visit a branch. Barclays said Ms W hadn't done this, so it closed her application on 4 November 2020.

Ms W resubmitted the application in February 2021, visiting the branch in February to provide her identification information. The account was opened in March 2021. She complained about the delay in the account being opened. She said she had gone into the branch to provide her identification information back in October/November 2020. She said the delays in opening the account had meant she'd lost income and was having significant financial difficulties.

Having listened to a number of conversations Ms W had with Barclays, our investigator thought it was likely Ms W had given Barclays her identification information in November 2020. She thought Barclays had unnecessarily delayed in opening the business bank account and recommended Barclays paid N £200 compensation for the inconvenience caused by its mistake.

Barclays agreed to the investigator's recommendation, but Ms W didn't. In summary, she said:

- At the same time she was trying to set up the account for N, she also applied for an account for a different company, which Barclays refused to open. This company would have been linked with N and be the main source of income.
- Without the income from these companies, she's suffered significant financial difficulties, with her credit score in tatters and no way of repaying her mortgage.
- Barclays needs to pay a serious amount of compensation.

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.

Having done so, I agree with the investigator that the £200 compensation that's now been offered by Barclays is fair.

I need to be clear that I'm not considering Ms W's complaint about Barclays' refusal to open an account for the other company. My colleague has already decided this is not a complaint we can consider. I can only look at the complaint about the delay in Barclays opening a bank account for N.

Barclays has already accepted the bank account likely could and should have been opened sooner, as Ms W probably had provided her identification information back in October or November 2020. What I need to decide is whether the offer of £200 compensation is fair and reasonable for the impact the delay in opening the account had on N.

I have a great deal of sympathy for Ms W's situation. From what she's told us, both her and her husband have had some very difficult times. It's clear she saw setting up the two companies as the answer to her problems. But I can only consider the impact Barclays' mistake had on N and not Ms W personally.

If there was evidence of N suffering a financial loss because of the delay in Barclays opening the bank account, I might be able to make an award for this. But from everything I've seen, N hasn't ever done any business – the account hasn't been used since it was set up and the accounts submitted to Companies House show the company as dormant. From what Ms W has said, this is largely due to the other company not getting off the ground and not the delays in the bank account for N being set up. I also note what she's said about her contact leaving a business that was going to be key to the success of N before the account was opened. It follows that I have no way of knowing what profits, if any, N would have made if the bank account had been opened two or three months earlier. I therefore can't make any award for financial loss.

As a company N can't suffer distress but it can be inconvenienced. Ms W, on behalf of N, had to visit the branch more than once, which she wouldn't have had to do if Barclays hadn't made a mistake. She also contacted Barclays several times to find out what was happening with the application – only finding out in February that Barclays didn't have a record of receiving her identification information. So I do think N is due some compensation for this. But I think the £200 already offered by Barclays is fair and reflects the impact its mistake had on N.

My final decision

Barclays has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Barclays Bank UK PLC should pay N £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 6 December 2022.

Claire Allison
Ombudsman