

## **The complaint**

A church, which I'll refer to as C, complains about the handling by Barclays Bank UK PLC of its request to open a new bank account.

Mr S and Mr P, two of the authorised representatives of C, bring the complaint on C's behalf.

## **What happened**

The circumstances of this complaint are familiar to both parties, so I won't repeat them all here. In summary:

- C was already a customer of Barclays.
- In August 2021, C applied to Barclays to open an additional account for a special fundraising appeal it was planning to launch in October. The signatories to the new account were to be the same as for its existing account. Barclays told C that the account would be opened before its relationship manager went on leave in mid-October, but this didn't happen.
- Barclays said that an in-person meeting was required, which happened in late September. This delay was due to Barclays requiring a staff member from a different branch to be present. C explained at the meeting the urgency in establishing its new account, given that the account number was required for both the leaflets being prepared and the online giving facility being set up in advance of the appeal launch. One signatory of C wasn't present at the meeting but submitted the required forms a week later.
- Despite many phone calls and assurances that the account would be set up in good time prior to the launch, Barclays didn't process the new account application until early November. Barclays explained that this delay was due principally to the absence of C's relationship manager.
- On 1 December, the requested account was finally opened, five weeks after the launch of the appeal and more than three months after C's original application.
- Even then, the account wasn't fully operational. It took a further four weeks before a second signatory on the account had online banking access which, given the account required dual authorization, meant that C was unable to make payments, transfers or withdrawals in this time.

In November 2021, C complained to Barclays. It said that Barclays should compensate it for:

- the lost income resulting from it being unable to offer an online giving facility in the first five weeks of the appeal and not having bank details on its promotional material;
- the time, effort, and costs incurred by C's representatives to sort out Barclays' administrative failings; and

- additional costs incurred, such as reprinting the appeal leaflets, amending the web site, accounting charges, etc.

In March 2022, following our involvement, Barclays responded to C's complaint. It recognised there had been some delays due to the unavailability of C's relationship manager and offered C £200 for the inconvenience caused. It is also offered to reimburse C for any charges resulting from its delays, eg to update the website or to reprint flyers.

Mr S and Mr P were unhappy with this response, saying that it neglected to acknowledge the catalogue of errors and delays which they had experienced. So they brought C's complaint to our service.

At this point, Barclays acknowledged its broader errors, including the delays in setting up the account with two signatories. It apologised for the delays and inconvenience it had caused and repeated its offer of compensation.

Our investigator considered C's complaint. She said that Barclays had clearly caused C's new account application to be delayed, and had caused further delay in processing the second signatory to have online access. She sought to mediate a resolution to the dispute, which resulted in Barclays increasing its offer to £400 for the inconvenience caused, plus a further £100 for the cost to C of reprinting leaflets. However, C rejected this offer. Our investigator then said that, in her view, Barclays should pay C £500 for the inconvenience caused, plus £100 for the leaflets.

C didn't agree with this view, so the matter was passed to me to decide.

### **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.

It's not in dispute that Barclays made significant mistakes in how it handled C's application for a new account. A process which C was led to believe should take a couple of weeks took over three months. It appears to me that throughout the process, C's representatives complied promptly with all requests from Barclays (even if they didn't always understand the need for those requests), while, at several points, Barclays did not progress C's application swiftly. Even when the account was set up, there were errors which made it partially inoperable. In my view, Barclays clearly provided C with a poor service.

Given that the account is now operational, the subject of this dispute, and the matter for me to decide, is the extent of loss and inconvenience caused to C by Barclays' mistakes and the appropriate compensation Barclays should pay.

C has said that it suffered a loss of £100 from the need to re-print leaflets once the account details were available. I think it is fair for Barclays to reimburse C for this cost.

Mr S and Mr P estimated that C's appeal lost out on around £1,270 of donations due to the delay in being able to provide account details to potential donors, including being unable to provide an online facility for donations. This was estimated as 10% of the donations received over the affected period by other means.

In addition, Mr S and Mr P told us that they and other representatives of C had spent in total about 50 hours of their time pursuing these matters. They submitted that this could be quantified in two ways: at a low commercial rate, this time could be evaluated at £1,000; or

on the basis of the opportunity cost of this time, the lost fundraising activity could be estimated at £1,270. They have indicated that they believe the sum offered by Barclays is derisory for the inconvenience its mistakes have caused; and they've suggested that the best way by which Barclays could restore its credibility and reputation is through a contribution to C's appeal.

In determining a fair amount of compensation payable by Barclays to C, I have noted:

- Mr S and Mr P have queried the extensive bureaucracy in establishing C's new account, eg in the need for them to attend a Barclays' branch to register the application. They've said this seemed excessive given that all the required signatories were existing signatories on an existing Barclays account for C. However, in my view, the steps required to set up the new account do not appear to have been unreasonable. It is for Barclays to determine the processes it requires to ensure that it manages its risks and fulfils all its regulatory obligations, and I have not seen anything to suggest Barclays acted unfairly towards C in the evidence it required from C's representatives or in the steps it required them to take. For this reason, I believe that much of the effort required by C's representatives to address Barclays' requests, which might have seemed excessively burdensome, was necessary and reasonable.
- Nevertheless, it is also clear that Barclays' mistakes caused Mr S and Mr P and other representatives of C to incur considerable extra inconvenience. They had to make many phone calls to chase up a process which took far too long, with some of these calls going unanswered and messages seemingly ignored. Barclays' mistakes wasted a considerable amount of their time, and drew them away from the fundraising programme which should have been their focus. However, while I acknowledge the considerable time required of C's representatives to resolve matters caused by Barclays' mistakes, this service does not typically award compensation for inconvenience based on a complainant's or representative's hourly rate or in terms of the opportunity cost from the time spent. Rather, we look at the overall impact that the mistake had.
- In terms of the loss to the appeal, although the cheques received in the early period of the appeal couldn't be banked initially due to the delays, they were banked subsequently, so no loss was suffered in this regard. Some donors might have questioned why it took so long to bank the cheques, with some reputational impact on C, but I believe this effect would have been minimal.
- Many of the donations that would have been made during the period of delay, when the account was unavailable, will have been made subsequently – although it is impossible to say how many. Mr S and Mr P believe that, by the time the online facility was available, some people will have forgotten about the appeal and therefore not donated, but they recognise that it is impossible to say what value of donations would have been lost. In my view, it is likely that those who were most keen to donate, and therefore those who would typically have made larger donations, would have found a way to do so, either by cheque or later through the online facility. So, although some donations will have been lost, I believe it is likely that these will have been of lower value.

In these circumstances, I believe that the amount of compensation sought by C is higher than I would typically award to compensate it for the bank's mistakes.

Our investigator has proposed that Barclays should pay C £500 to compensate for the delays, and a further £100 to compensate C for its loss relating to the reprinting of its leaflets. This would take the total compensation to C for Barclays' mistakes to £600. I think that, in the circumstances of this complaint, this amount is fair.

I acknowledge that Mr S and Mr P, and others involved in C's appeal, will have experienced some stress resulting from Barclays' mistakes. However, the complainant in this case is C and as an organisation is unable to feel distress, I am unable to award anything to C or its representatives for this.

I also note that Mr S and Mr P have complained about Barclays' complaint-handling procedures. However, complaint handling isn't a regulated activity and therefore, in the circumstances of this complaint, this isn't something I can consider.

I acknowledge that Mr S and Mr P will be disappointed with this decision given the time and effort which has been required of them to address matters. However, in the circumstances of this complaint and for the reasons set out, I believe this compensation is fair.

### **My final decision**

I uphold this complaint and require Barclays Bank UK PLC to pay C £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 22 March 2023.

Andy Wright  
**Ombudsman**