

The complaint

Ms R is unhappy with the service she received from Barclays Bank UK PLC surrounding the handling of the closure of an account she held jointly with her ex-husband.

What happened

Ms R held a joint current account with her ex-husband from whom she was in the process of separating. Ms R was concerned that her ex-husband would use the account maliciously to cause her credit file to be adversely impacted. Ms R therefore informed her relationship manager ("RM") of the marital separation and asked for the account to be frozen and for her to clear half the balance owing on the account and to then no longer be associated with it.

Barclays RM explained that the nature of the joint account was that both parties were jointly and severally liable for the account, and then tried to negotiate individually with Ms R and her ex-husband for both parties to pay half the balance outstanding on the account, so that the account could then be closed.

This is what eventually happened, but in the months leading to the closure of the account the balance of the account had exceeded the agreed overdraft and had been reported as such on Ms R's credit file. Ms R wasn't happy about this, especially as avoiding having her credit file adversely impacted had been one of her concerns when contacting Barclays about the account. So, she raised a complaint.

Barclays looked at Ms R's complaint. But they didn't feel that they'd acted unfairly or unreasonably towards Ms R in how they'd managed the situation, and they noted that they'd sent letters to Ms R informing her that the balance of the account had exceeded the overdraft when it first happened and several times afterwards.

Ms R wasn't satisfied with Barclays response, so she referred her complaint to this service. One of our investigators looked at this complaint. They also didn't feel that Barclays had acted unfairly towards Ms R in reporting the status of the account to her credit file, but they felt that some of the communication that Barclays had engaged in with Ms R hadn't been to the standard that Ms R should reasonably expect. So, they recommended that this complaint be upheld in Ms R's favour on that limited basis, and that Barclays should make a payment of £75 to Ms R to compensate her for the standard of communication she'd received.

Ms R remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

In situations where joint account holders are separating, a business such as Barclays can find itself in a delicate position. On the one hand, it's right that a business should do what it can to assist its customers and prevent the joint account being used maliciously by one of its

customers against the other – as Ms R feared might happen in this instance. While on the other hand, the business has to continue to administer the account on a joint and several liability basis - until the account holders take the steps necessary to change that basis.

This means that the business has to work fairly with its two customers to enable their financial separation to take place, while at the same time continuing to administer the joint account appropriately until the situation can be resolved.

However, it must also be acknowledged that in circumstances such as this, where two people are separating from each other, a person such as Ms R can be significantly impacted by the events taking place such that they should potentially be considered as being vulnerable at that time.

In such circumstances, both empathy and clarity of communication from the business to the customer are of utmost importance, so that the customer feels that their fears and concerns have been heard during what can potentially be a particularly traumatic time in their life.

This again places a business such as Barclays in the difficult position of having to communicate with their customer in a way that balances their administrative duties and the limit of the remit of their role against the duty of care that they have for their customer and the help and assistance that they should reasonably provide.

Having reviewed all the information and evidence available to me, I think that for the most part, Barclays did that here. And I say this because I feel that Barclays act reasonably in how they administered this ongoing situation, including that they attempted to liaise with both Ms R and her ex-husband separately to arrange for both parties to repay equal halves of the account balance so that the joint account could be closed, and because I feel that their communication with Ms R was, in general, balanced fairly.

For instance, while I appreciate that Ms R is unhappy that Barclays have reported the status of the joint account as having exceeded the agreed overdraft limit to the credit reference agencies, I'm satisfied that Barclays did provide continuing notification to Ms R that the balance of the account had exceeded, and continued to exceed, the agreed overdraft limit.

And while I can appreciate that Ms R was engaged in an acrimonious separation from her ex-husband at that time – such that she was only willing to make the payment of half of the outstanding account balance on the condition that her husband simultaneously made a similar payment so that the account could immediately be closed – this unfortunately doesn't alter the fact that the account was over its agreed overdraft limit or that Barclays, like all providers of credit, had an obligation to accurately report the ongoing status of the joint account to the credit reference agencies.

I'm aware that Ms R feels that her RM, with whom she was corresponding with regularly during this time, didn't provide the assurances in their communications with Ms R that she was seeking, and that had these assurances been provided – as Ms R feels that they reasonably should have been – that she would have made the payment to the account sooner, meaning that the account would have been brought back within the agreed overdraft sooner and that consequently she wouldn't have incurred the length of adverse credit reporting that she has.

I can appreciate Ms R's position here, but having read the email chain between herself and her RM I feel that the RM was sufficiently clear throughout that communication that the account would be closed following the receipt of the necessary payments from her ex-husband and herself. And while I can understand why Ms R wanted this point to be reiterated and confirmed, I feel that the RM did explain on several occasions that the

account would be closed when both payments were received.

Ms R has also explained that had it been explained sooner by the RM that the account could be closed immediately following the repayment of the outstanding balance that she would have made the full payment herself so that the account could have been closed much sooner than was actually the case.

I'm not convinced by Ms R's position here, and I say this because it's very clear from Ms R's correspondence that she was only willing to make a payment equal to half the balance outstanding on the account on the condition that her ex-husband made a similar payment. Indeed, in several emails to Barclays, Ms R stipulates that she'd only be willing to make such a payment after her ex-husband has paid half of the balance outstanding himself. And while I can appreciate why Ms R would be cautious, I find it difficult to accept, given the obvious strength of Ms R's feeling here, that she would have been willing to have paid the balance outstanding in full as she now contends.

Ultimately, in regard to the administration of the account, I don't feel that Barclays have acted unfairly or unreasonably towards Ms R here, but instead feel that they did make attempts to liaise with both Ms R and her ex-husband to arrange the equal repayment of the account balance by both parties.

Furthermore, I feel that Barclays did keep Ms R informed as to the balance of the joint account – which it must be noted that Ms R as an account holder had an obligation to monitor herself. And despite the extenuating circumstances at that time, given that Ms R didn't clear or reduce the balance of the account following the agreed overdraft limit being exceeded, and given the joint and several liability basis of the account, it seems both fair and reasonable to me that Barclays would make the accurate reports as to the ongoing status of that account to the credit reference agencies as they have.

And I also must note that the option remained available to Ms R to have made a relatively small payment to the account to have brought the balance of the account back within the agreed overdraft limit, which would have positively impacted the subsequent reporting of that account to her credit file.

But while I'm satisfied that Barclays have administered the joint account fairly here, I do feel that some of the communication and correspondence that Barclays issued to Ms R fell below the standard of what Ms R should reasonably have expected.

In particular, it's notable that when Ms R first approached her RM and advised of the dispute with her ex-husband, that the RM told Ms R that the account couldn't be frozen – which was incorrect and in contradiction to the advice given on Barclay's website. This led Ms R to engage her legal representatives to contact Barclays on her behalf. And while the account was frozen shortly afterwards, I don't doubt that the RM's apparent lack of understanding of Barclays own processes was both concerning and upsetting for Ms R, at that difficult time.

I'm aware that Ms R feels the delay in the account being frozen led to the account balance being taken over the agreed overdraft limit by her ex-husband, and I note that a transaction by Ms R's ex-husband did take the balance over the agreed overdraft limit the day before the RM first responded to Ms R advising incorrectly that the account couldn't be frozen.

But given that the account had been taken over the agreed overdraft limit the day before the RM responded to Ms R, it seems that even had the RM frozen the account on the day they first responded, as they reasonably should have, that the account would still have been over the agreed overdraft limit at that time, having been taken over that limit the day before.

And while Ms R has stated that she made the RM aware of the marital dispute some weeks earlier than that time, Barclays have no record of having been advised as such by Ms R at any earlier date, and there's nothing in the documents or evidence provided by either Ms R or Barclays which corroborates Ms R's position on this matter.

Consequently, I don't feel that I can fairly or impartially declare that the delay in freezing the account by Barclays did lead to the account balance exceeding the agreed overdraft limit as Ms R contends. So, while I do feel that the incorrect information given to Ms R by the RM would have been distressing for Ms R such that compensation for that distress is merited in this instance, I don't feel that it can be considered to have caused any direct financial loss to Ms R, for the reasons explained above.

Matters of compensation can be subjective, with an offer considered as being fair and reasonable by one person not being considered as being such by someone else. But the £75 compensation amount recommended by our investigator does feel fair to me here, given the circumstances, and given that this amount is to compensate Ms S for the upset she may have incurred because of the provision of the incorrect information only, and isn't for anything additional or further to that.

Finally, I'm aware that Ms R would like this service to investigate whether her ex-husband's credit file has incurred the same adverse reporting as her own credit file. But the remit of this service is limited to investigating the potential impact of the events in question on the complainant party, which in this case is Ms R. As such, the impact or potential non-impact of events to Ms R's husband lies outside the remit of what this service can consider.

All of which means that I'll be upholding this complaint in Ms R's favour on the limit basis explained above and instructing Barclays to make a payment of £75 to Ms R. I realise that this won't be the outcome Ms R was wanting and I can sympathise with the difficult personal circumstances she clearly experienced here. But I hope that Ms R will understand, given all that I've explained, why I've made the final decision that I have.

Putting things right

Barclays must make a payment of £75 to Ms R as compensation for the trouble and upset she incurred at having being initially incorrectly told that the joint account couldn't be frozen.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 18 August 2022.

Paul Cooper
Ombudsman