

## **The complaint**

Mr K complains Barclays Bank UK PLC didn't let him know it removed funds from his account or tell him why. He wants compensation for the distress this caused him.

## **What happened**

The facts which led to Mr K bringing his complaint to our service are well known to both parties, so I am not repeating them in full here.

In summary, Barclays removed all the funds from a current account Mr K held to carry out a review. It put the reference "to reconcile" next to the debit but didn't tell Mr K where the funds were until sometime later. Mr K says this caused him distress as he was concerned his money had been taken or accidentally paid away.

Our investigator concluded Barclays acted in line with its legal and regulatory obligations when removing the funds to carry out a review. But it should have told Mr K that the funds were still in its possession. Not doing so likely caused Mr K unnecessary distress. They recommended Barclays pay Mr K £100 compensation, which Barclays agreed to pay.

Mr K disagreed with the outcome and asked for a final decision, so his complaint has been 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.

I've decided to uphold Mr K's complaint, but I'm not directing Barclays to pay Mr K more than £100. I'll explain why:

- Barclays has important legal and regulatory obligations to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know its customer, verify their sources of income, as well as detect and prevent financial crime.

Barclays will review accounts to comply with its responsibilities. And, it's common industry practice for firms to restrict access to accounts or remove funds to conduct a review - doing so helps prevent potential financial loss or other harm that could otherwise result. I find Barclays acted fairly by blocking Mr K's account and didn't need to tell him the full reasons behind its decision.

- But the above should not have prevented Barclays from letting Mr K know it had removed the funds in the account shortly after doing so. Instead, I find Barclays ought to have told Mr K it had removed the funds promptly, and this would have alleviated some of his concern about the fund's whereabouts.
- I find £100 is a fair sum to compensate Mr K for the worry he experienced. I am not awarding more than this because I haven't seen evidence or information which would warrant a greater sum. I understand Mr K felt like he was being treated like a criminal, but ultimately Barclays could remove the funds and its review was completed without undue delay. I find awarding a larger sum would be disproportionate in these circumstances.

### **Putting things right**

Subject to Mr K accepting my final decision Barclays Bank UK PLC should pay him £100 compensation. Barclays should make payment within 28 days of Mr K's acceptance being communicated to it.

### **My final decision**

I have decided to uphold Mr K's complaint and I direct Barclays Bank UK PLC to pay compensation according to my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 25 October 2022.

Liam King  
**Ombudsman**