

## **The complaint**

Mrs V is unhappy that Barclays Bank UK PLC applied a CIFAS marker against her name and closed her account with immediate effect. She's also unhappy with the service it provided.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them all again here. But briefly Barclays offered a total of £350 in compensation; £150 for the time taken and £200 for the distress and inconvenience caused to Mrs V.

Mrs V wasn't happy so brought her complaint here. Our investigator upheld the complaint and recommended Barclays increase its offer to £750. He didn't think Barclays had sufficient grounds to apply the marker or close Mrs V's account with immediate effect.

Barclays accepted the investigator's recommendations, but Mrs V doesn't feel £750 reflects the amount of humiliation and months of anxiety the matter has caused her. And she feels this values Barclay's culpability at £750 for incorrectly stating she was a fraudster.

As the complaint couldn't be resolved informally, it has been passed to me for a 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 deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulator's rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Having done so, I agree with the conclusions reached by the investigator broadly for the same reasons.

Whilst I've concentrated on what I think is the crux of the complaint, I've read and listened to everything Mrs V has sent us. If I don't comment on any specific point, it's not because I haven't considered it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Barclays were quite right to place blocks on the account when they received a report that it had been used to receive fraudulent funds. This is what I would expect them to do as a regulated financial business. So, I think they acted responsibly here.

Barclays can close an account with immediate effect if it reasonably believes it is being used for fraudulent purposes. But by its own omission, Barclays didn't make any contact with Mrs V to discuss the activity prior to making its decision – so I don't think it acted fairly when closing Mrs V's account with immediate effect. But Barclays can make a commercial

decision to close an account *with notice* - in line with its terms and conditions and I can't interfere with that. So, whilst I will go on to consider the impact closing the account without notice had on Mrs V, I won't be asking it to re-open Mrs V's account.

As well as not acting fairly when closing Mrs V's account without notice, I don't think Barclays has followed the CIFAS principles when applying the CIFAS marker to Mrs V's account. It seems Barclays doesn't disagree with that - as it removed the marker in January 2020. These are the two reasons on which Mrs V's complaint is being upheld – rather than on the basis of any law or code of conduct. So, I've gone on to consider the impact all of this has had on Mrs V.

When considering distress and inconvenience, such awards are to reflect the impact on Mrs V and not to punish or fine Barclays – which is the job of the regulator.

The account was closed – without notice on 23 May 2019 and CIFAS marker applied on 31 May 2019. CIFAS markers do have a detrimental impact on a consumer's finances and I note a third-party bank declined Mrs V's application to open an account on 18 July 2019 revealing its decision was due to a CIFAS marker.

Mrs V sent in many letters to Barclays asking for an explanation and chasing the matter, until Barclays finally responded in full and removed the marker on 30 January 2020.

Mrs V explained she has been plunged into anxiety, depression, sleepless nights and even contemplated suicide. She has been embarrassed in giving her friends the reasons for repeatedly needing to ask for financial support for everyday living. Her credit score has been affected and she had no notice to arrange alternative means by which she could pay her direct debits. She was also refused opening an ordinary account by a third-party bank.

I think the level of frustration and distress suffered by Mrs V was considerable. Barclays didn't deal effectively with the problems Mrs V was complaining about. The failure to respond went on for several months which must have created additional stress and Mrs V had to find other options to get the money she needed. I think the level of inconvenience must have been significant and meant Mrs V was put to extra effort to sort this out.

Barclays has already agreed to our investigator's recommendation to pay compensation totalling £750 to Mrs V because of the trouble and upset that she's incurred here. And while I accept that matters of compensation can be subjective, I feel that this amount does represent a fair and reasonable compensation amount for the distress and inconvenience incurred by Mrs V.

I am sorry to hear of everything Mrs V has gone through and appreciate she considers the impact things have had is worth more – but in the circumstances, I think £750 is a fair amount of compensation.

### **Putting things right**

In order to put things right for Mrs V – Barclays should pay her £750 (less anything that has already been paid to her in relation to this matter).

### **My final decision**

My final decision is I uphold the complaint and Barclays Bank UK PLC should put things right for Mrs V as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or

reject my decision before 17 November 2022.

Kathryn Milne  
**Ombudsman**