

## The complaint

Mr S complains that Barclays Bank UK PLC (“Barclays”) closed his account in error when he was abroad leaving him without access to funds and investments for a week. He says the £400 compensation offered by Barclays was insufficient considering the time it took Barclays to resolve this and the trouble and upset this caused.

## What happened

Mr S held a number of accounts with Barclays. Barclays received a letter regarding Mr S’s late wife’s estate and mistakenly marked Mr S as deceased on 15 August. This resulted in Barclays making Mr S’s accounts inactive and cancelling standing orders and direct debits. Mr S was abroad when this happened and believed that not being able to access his account was just a glitch on the system and was able to borrow funds from a friend.

On return to the UK on 19 August his card was rejected at a supermarket and Mr S contacted Barclays. Mr S was told his accounts would be reinstated on the following evening, but all his banking facilities weren’t reinstated until 24 August. Mr S had to make several calls and visits in branch to find out what led to the error.

Barclays agreed it made a mistake, apologised and offered Mr S £400 compensation for the distress and inconvenience caused. Mr S was dis-satisfied with this and brought his complaint to this service.

Our adjudicator looked at all of this and agreed that Barclays had made an error and took too long to fix it but thought that the offer of £400 was fair compensation for this.

Mr S disagreed he thinks the £400 offered is insufficient considering his personal circumstances and wants compensation of £2,000. Mr S has asked for an ombudsman’s 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.

I hope that Mr S won’t take it as a discourtesy that I’ve condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I’ve concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

It might help for me to start by explaining that where a business accepts (or we decide) it did something wrong, we’d expect the business to put the consumer in the position they would be in if that wrong hadn’t taken place. And we *may* award modest compensation.

This service doesn’t supervise, regulate or discipline the businesses we cover. And my role isn’t to punish or penalise businesses for their performance or behaviour – that’s the role of the regulator, in this case the Financial Conduct Authority.

In the background I've given a summary of the events that happened giving rise to Mr S's complaint. Barclays has already accepted it made an error regarding the closing and reinstating of Mr S's accounts. So I don't need to make a finding here. What I need to consider is whether the £400 compensation offered to Mr S for the distress and inconvenience Barclays errors caused is enough.

I don't think there is any doubt that the mistakes made by Barclays would have caused considerable inconvenience and would have left any one person feeling very distressed. And in Mr S's case as he has explained this was exacerbated by his age, personal circumstances and health.

My understanding is that Barclays have reinstated Mr S's account and direct debits and standing orders at its end. I understand it may be necessary for Mr S to contact companies he has direct debits with to check they are still active and that this is a further inconvenience, but this is not something Barclays has the power to do. So I think Barclays has done all it can do to put Mr S's banking facilities with it back to where they were before it closed his account.

Mr S has told us that he was without access to his account for around a week. Fortunately during this time he was able to mitigate this and borrow money from a friend. Mr S says that he was also restricted in accessing his investment account which meant he was unable to trade in shares. But there is no way of knowing what trades he may or may not have made. So though inconvenienced I can't say for sure whether Mr S lost out financially here.

I sympathise with Mr S and accept that the whole situation inconvenienced him and no doubt left him feeling extremely vulnerable. But things don't always go smoothly and as has already been explained above our role isn't to penalise or punish a business when a business makes a mistake – rather it is to try and put the consumer in back in the position they would've been in if the mistake had not have happened which Barclays have done as well as offering £400 in compensation.

And taking everything into consideration I'm not persuaded that compensation above that already offered by Barclays is warranted or going to make a material difference to what happened or Mr S's life.

So on that basis I think Barclays the £400 compensation for the distress and inconvenience caused by its mistake is a fair and reasonable way to settle Mr S's and I'm not going to ask it to do anything more.

### **My final decision**

For the reasons I've explained I uphold Mr S's complaint and I direct Barclays Bank UK PLC to pay the fair compensation of £400 to Mr S for distress and inconvenience caused by its error.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 February 2023.

Caroline Davies  
**Ombudsman**