

## **The complaint**

A company which I will refer to as 'L', complains that they had considerable difficulty in operating their business account with Barclays Bank Plc. They say that this resulted in inconvenience and financial loss.

L's director who I will refer to as 'Mr P' has brought the complaint behalf of L.

## **What happened**

The background to this complaint is known to both parties and so I won't repeat it at length here. Briefly:

L had online banking (OLB) along with its sister concern under the same OLB membership. The debit card used for logging online was that of the other company. L's debit card was cancelled in 2018 due to lack of use.

In November 2020, the other company closed its account with Barclays and moved elsewhere. At that time the associated debit card was cancelled. This meant that there was no debit card attached to the OLB membership. This resulted in L not having OLB access other than through the mobile banking app on Mr P's phone.

After some time, Mr P changed his phone and that resulted in loss of access to the mobile app. This in turn meant that L wasn't able to operate the account. L complained to Barclays and the issue was eventually resolved in April 2022 when the bank issued a new debit card.

Mr P is unhappy about the service he received from Barclays. He told the bank that he had this problem ongoing for nearly 18 months, and it didn't help him despite several calls and branch visit. The bank said that the first time it heard of this issue was in February 2022. It acknowledged that it could have resolved the issue at that time but failed to do so. So, it offered to pay £250 by way of compensation.

One of our investigators considered the complaint and said that based on available evidence it seems to be the case that the issue was first raised with the bank in February 2022. Having considered everything, the investigator said that in their opinion the bank's offer is fair.

Mr P did not agree. He said that Barclays was aware of the issue well before February 2022. He also felt that the bank ought to have pointed out to him about this debit card problem when it cancelled the only debit card on the account. He reiterated that the bank's service was poor for a prolonged period of time and the compensation is insufficient to the inconvenience and loss suffered as a result of the bank's errors.

## **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 agree with Mr P that when the bank cancelled the only debit card attached to the OLB membership, it could have anticipated the difficulty that may arise due lack of a debit card. However, I can see L continued to transact through the app until Mr P changed his phone.

There is some confusion as to when that happened. I can see that in relation to another complaint (which was for a different issue) Mr P told us that his phone stopped working on 20 December 2021, leading to change of phone and loss of account access. He mentioned this to us soon after that happened. This is also corroborated by the information provided by the bank which shows that the account was accessed through Mr P's phone until around that time.

So, I consider it more likely than not that until late December 2021, L was able to operate the account through the app. Indeed, Mr P told the investigator that L could use the service until the phone stopped working.

It is not clear when Mr P approached the bank thereafter. The available evidence indicate that this happened in early February 2022. In any case, I see that in April 2022 L was provided with a new debit card and they were able to access the account again. The bank has apologised for these two months delay and has offered £250 by way of compensation.

I fully appreciate that sorting out this issue was a frustrating experience to Mr P. That said, as pointed out by our investigator, the complaint here is that of L's. As such any compensation would be with reference to inconvenience caused to L.

The lack of access to the account was ongoing for about three months. Mr P says that this affected L's ability to do business. Whilst I acknowledge that, I see from the bank account statement that the account had very little activity from around June 2021 when most of the balance was removed from it. So, I am not persuaded that this issue caused financial loss to L to the extent claimed.

Overall, I am satisfied that Barclays's offer to pay L £250 is fair and reasonable in all the circumstances of the complaint.

There was some confusion as to whether one of L's ex-directors operated the account during the relevant period (after November 2020), but I am satisfied that wasn't the case. I can see that it was Mr P's mobile that was used to make the transactions via the app. And I don't think Mr P has claimed that the transactions weren't by him.

Mr P has referred the investigator to a holding letter received from Barclays recently. I see that this letter has a different complaint reference and is addressed to the other company. So, I don't believe this letter affects the outcome here. However, I will separately ask the investigator to query the bank about this and let Mr P know.

## **My final decision**

My final decision is that I uphold the complaint. In full and final settlement of it, Barclays Bank Plc should pay £250 to L, if it has not already done so.

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

reject my decision before 15 February 2024.

Raj Varadarajan  
**Ombudsman**