

The complaint

Mr H, via a representative, has complained that Bank of Baroda (UK) Limited ("Bank of Baroda") took too long to update the account holders on an account he has.

What happened

After the complaint was referred to the Financial Ombudsman, Bank of Baroda agreed to pay Mr H £200 compensation for the delays he experienced in adding his wife and daughter to his account.

One of our adjudicators assessed the complaint and they concluded that Bank of Baroda's offer was fair in the circumstances of the complaint.

Mr H's representative did not agree with the adjudicator's assessment, so the matter was referred 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.

Having reviewed everything that has been provided by all parties of this complaint, it is not in dispute that Bank of Baroda took an unreasonable amount of time to add the additional account holders to Mr H's account. Indeed, Mr H first made the request to add his wife and daughter to his bank account in June 2021. And this was not completed until March 2022.

Therefore, all that is left for me to consider is to decide whether Bank of Baroda's offer to pay £200 is fair and reasonable in the circumstances.

Mr H's representative says that Bank of Baroda kept asking for very detailed information. The information requested included things such as occupation, income, source of wealth and also information about specific transactions that had taken place on the account in the past. The representative says that Mr H felt harassed by Bank of Baroda asking for this information.

I can see that Bank of Baroda did request a number of times for additional information about Mr H and the other account holders. Indeed, it seems that the bulk of delays were caused by Bank of Baroda having to request additional information. And then when it received a response from Mr H or his representative, it then had to consider whether the information provided was sufficient for its purposes.

However, I'm unable to say that the requests made were unreasonable or amount to harassment. I say this because banks (and other financial businesses) that operate and are regulated in the UK are obliged to adhere to the Regulator's 'Know Your Customer' (KYC) responsibilities (also known as Customer Due Diligence, or CDD). This often requires the bank to ask for fairly detailed personal information about an account holder(s) source of income and source of wealth – as was the case here. I should also point out that the KYC requirements places an ongoing duty on the business to ensure it has up to date information, therefore it's not unusual for such information to be requested, even if an account holder has been a customer for a number of years.

Therefore, Bank of Baroda needed this information to be able to adhere to its regulatory obligations. As such, I'm unable to say it has done anything wrong or acted unreasonably because it had to request fairly detailed information from Mr H, before it could update the account holders on the account.

I also can't say that Bank of Baroda was being unreasonable because it had to ask for information on more than one occasion. I say this because what information it needs will vary based on the specific circumstances of the account holder(s). And it won't necessarily have known what additional information was needed until it had an opportunity to review the information that was initially provided.

Having said that, although I think Bank of Baroda was reasonably justified in asking for the information that it did, there does appear to have been instances where the process was delayed unnecessarily. For example, Mr H had provided all of the necessary documentation by 22 January 2022, but Bank of Baroda didn't complete the additional account holder request until 18 March 2022.

Conversely, it also appears that some of the delay occurred when Bank of Baroda was waiting for Mr H to provide the necessary information. For example, I understand that Bank of Baroda sent an email on 16 July 2021 asking for more information from Mr H and this was not received by Bank of Baroda until 30 September 2021. And I can't reasonably hold Bank of Baroda responsible for delays in the process whereby it was waiting for Mr H to respond.

Therefore, in summary, I do appreciate that this matter has caused some distress and frustration to Mr H. The process to add additional account holders has clearly taken longer than it should've done. But I don't think it's reasonable that Bank of Baroda is held responsible if Mr H or his representative's felt harassed, as Bank of Baroda had legitimate grounds in which to ask for the information that it did. And I'm mindful that an element of delay was due to Bank of Baroda waiting for the additional information to be provided – which of course is beyond its control.

So taking everything into account, I think that the £200 offered by Bank of Baroda is not unreasonable, as I think it reasonably reflects the distress and frustration incurred by Mr H as a result of the portion of the delays that Bank of Baroda is responsible for.

Finally, I should add that I don't think that Bank of Baroda is required to reimburse Mr H's costs because he chose to pay a third party to act as a representative. This is because firstly, I can't see that Bank of Baroda actually said that he could not add account holders to his account – it was just the case that it needed more information first, before it could process his request. And as mentioned above, I think Bank of Baroda's requests were not unreasonable. Furthermore, Mr H (or a personal representative) was free to raise a complaint with Bank of Baroda - and also ask our service to consider the complaint - without needing to pay for a professional representative.

Putting things right

So to put matters right, Bank of Baroda should pay Mr H £200 compensation.

My final decision

Because of the reasons given above, I uphold this complaint and require Bank of Baroda (UK) Limited to do what I have set out above to put matters right, in full and final settlement of this complaint.

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

Thomas White
Ombudsman

