

## **The complaint**

A partnership which I'll call 'C' complains that Barclays Bank UK Plc has treated them unfairly in how it has managed their account and the service it has provided.

## **What happened**

C held a business account with Barclays. They complained about a series of errors and issues caused by the bank.

C told us:

- The bank had taken away their dedicated business manager which meant they'd spent significant periods of time calling the bank.
- The bank wrongly added a previous partner (who was no longer involved with the business) to their mortgage. They had to seek legal advice about this and had been caused distress and inconvenience.
- Their name of their business account had been updated without discussion.
- They'd received threatening letters from the bank saying it would close their account if they didn't provide 'Know Your Customer' ('KYC') information, which they'd already returned.

Barclays told us:

- It had taken the decision to change its business model when supporting business customers. This was a commercial decision it had taken, and it wouldn't be providing C with a dedicated business manager.
- There was no evidence the previous partner had been added to C's mortgage, this was simply due to C's existing trading name which had included that partner within it. C had completed a mandate change to their account in February 2021 to remove the previous partner, however, there was no evidence C had asked for them to be removed from the trading name at the same time. This had been amended as part of the complaint response in November 2021.
- It contacted C in October 2021 as part of its KYC review to ask them to confirm the information it held was accurate and up to date. The tone of the letters is deliberately strict to convey the importance of providing this information.
- It had offered C £100 compensation in November 2021 which they had accepted, and it felt this was fair and reasonable.

Our investigator recommended the complaint be upheld in part and that Barclays increase its compensation award to a total of £500. He thought it was reasonable for Barclays to change its business model and request information from C when it added a new partner. However, he thought the bank could have been clearer about the information it needed. The investigator said it was reasonable that C had been concerned about a previous partner being added to their mortgage statement but said the partners hadn't provided any evidence

of what they'd spent on legal fees regarding this issue, so didn't recommend this expense was covered.

C didn't agree. They said £500 compensation wasn't enough for the time spent trying to resolve the issues caused by the bank and the threat of their account being closed – despite the required information being provided in January 2022. So they asked for an ombudsman to review their complaint.

### **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 done so, I've come to the same outcome as our investigator, for broadly the same reasons.

C is unhappy that Barclays is no longer providing them with a dedicated business manager, and this has caused them inconvenience from call waiting times. However, I'm unable to tell the bank to reinstate C's business manager as the decision to remove this dedicated service is a commercial decision that Barclays is able to make. It's for the bank to say how it wishes to provide its services, provided it has treated its customers fairly when making these changes. In this case, C's account terms and conditions say that if Barclays is making changes to a service it already offers, then it will give account holders 30 days' notice. I've seen that the bank wrote to C in May 2021 with changes taking effect from July 2021. And although I recognise C's frustrations about the time taken to contact the new relationship team provided by the bank, I can't reasonably say Barclays has done anything wrong in making this change.

C told us that Barclays had treated them unfairly by making changes to their business account and sending them threatening letters about restricting access and closing their account. Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. As the bank wasn't satisfied it could meet its regulatory obligations, it gave C firmly worded warnings that it would restrict and then close their account which was in line with its terms and conditions. I think it's reasonable that the bank wanted to clarify the information it held was correct and I don't think the letters are threatening, but factual in terms of the consequences of this information not being provided.

However, C has told us that they repeatedly tried to call the bank to provide the information as requested but were unable to do so. I've seen emails between C and their previous relationship manager asking how they could provide this, which C then actioned in April 2021. However, from Barclays' case notes, I can see that the bank decided further information was required in November 2021, which in itself would be reasonable. However, C provided this information shortly after, and the bank subsequently requested more information from January 2022 onwards - which I think should have been asked at the outset. This meant C was caused distress and inconvenience from warning letters that were then sent by the bank. So I don't think Barclays treated C fairly here.

C said that they were caused distress and inconvenience because their mortgage documents were sent to a previous partner due to an error by the bank. Barclays has told us that the previous partner isn't linked to C, but internally there was a system issue which is causing the documents to be generated with the previous partner included in the addressee's when sent to the current business address. It's not for me to fine or punish a business for making a mistake, and whilst I understand this would have been concerning for C, I haven't seen any evidence that the previous partner was contacted as the statements are sent to the partnership address, or that there has been a wider impact here.

I've looked at the mortgage documents and the borrower names are that of the current partners only. As those partners are the ones who signed the mortgage offer, and it specifically refers to them I think it's likely the actual mortgage was in the correct name of the partners as it should have been, and the incorrect addressee on the statements was just an administration issue which the bank said it was in the process of resolving. I've seen evidence from Barclays that shows this issue has now been resolved, so I think it's likely C's mortgage statement (when this is due) and account statements will be in the correct partner names as expected.

Overall, I think C has been caused inconvenience by Barclays' actions in not providing clear requests for the information it needed, and from the system issue which is causing their statements to be produced in the wrong name. I can see that C has told us that it doesn't think that the investigator's recommendation for a further £400 compensation is enough for the time they've spent to resolve the complaint. However, this service doesn't look at an hourly rate when making awards, we look at the complaint holistically and consider the wider impact of any inconvenience caused. And based on that, I think that a total of £500 compensation is enough to put things right.

### **My final decision**

My final decision is that I uphold this complaint. I instruct Barclays Bank UK Plc to pay C a further £400 compensation for the inconvenience caused in addition to the £100 already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 11 July 2023.

Jenny Lomax  
**Ombudsman**