

The complaint

Miss M is unhappy with Barclays Bank UK Plc ('Barclays') because they restricted access to her foreign currency account ('the account') due to inactivity, making the account dormant. Miss M said being unable to access the account had financial consequences for her.

What happened

On 1 March 2023 I issued my provisional decision to both parties which set out the background to this complaint and my provisional findings. My provisional decision said:

Miss M had a Barclays foreign currency account which held money in USD.

Barclays wrote to Miss M on 29 March 2022 at the registered address they held for her. They explained that due to inactivity on her account, the account would be treated as dormant from 2 June 2022 if they did not hear from her. Barclays said this was to reduce the potential for fraud to occur.

In early September 2022 Miss M tried to withdraw some funds from the account as she intended to travel, and also because she wished to convert some funds to GBP and reinvest them elsewhere. However, Miss M discovered the account was no longer accessible to her. Miss M contacted Barclays who explained they had followed their process before making the account dormant. However, Miss M said she had not received the letter dated 29 March 2022.

During the process of sorting things out, Miss M also raised concerns about the time she spent on the phone with Barclays and their failure to call her back when promised. Barclays offered Miss M £50 in acknowledgement of this, which Miss M did not accept.

Our Investigator didn't uphold Miss M's complaint. They concluded Barclays had acted in accordance with the terms and conditions of Miss M's account, and that Barclays had followed their processes. The Investigator was also satisfied that the letter had been sent to Miss M's correct address. In addition, the Investigator noted Miss M's account had been reactivated within the 12-week timescale set out for Barclays to do this.

Miss M disagreed with the Investigator. In summary, she felt that Barclays had given her wrong information about the status of the account. And that Barclays had wasted her time. Miss M said it did not feel right that she should have lost access to her account for such a long time, particularly given she was an active Barclays customer on another account, and she had contacted Barclays about withdrawing money from the account in March 2022.

Because of this Miss M felt there should be no reason for Barclays to have removed access to her account – and she referenced the Dormant Bank and Building Society Accounts Act 2008, and the Dormant Assets Act 2022 in support of this.

As our Investigator was unable to resolve things, the matter has been passed to me to decide.

Further information was requested from Barclays prior to my considerations, including details of when Miss M last used the account, and clarification around Barclays' processes.

Miss M raised a separate complaint with Barclays regarding her concerns about being given conflicting information by Barclays about the status of the account in October 2022, and the consequences of this misinformation. Barclays upheld that complaint in their final response letter dated 30 October 2022, and paid Miss M £150 which she accepted. This does not form part of this provisional decision.

I'm also aware Miss M has made several points about the time taken to regain access to her funds. However, the complaint that I have been given to decide relates to the complaint raised and dealt with by Barclays in their final response letter to Miss M, dated 4 October 2022. This includes Barclays decision to remove Miss M's access to the account, and Miss M's concerns about the initial attempt to engage with Barclays about it.

What I've provisionally 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 don't think Miss M's complaint should be upheld for broadly the same reasons as the Investigator; however, as I have made some additional points, the parties have the opportunity to provide any further submissions in reply to this provisional decision.

Barclays' retail customer agreement terms and conditions explain that if a customer stops using the account for a certain period of time, Barclays may close it by giving two months' written notice.

These terms explain that the notice will set out why the account is being closed, what can be done to keep the account open, and what will happen to any money in the account and how it can be reclaimed. I have not seen that they make mention of when an account may become dormant.

Barclays' terms and conditions also confirm that they participate in the unclaimed assets scheme under the Dormant Bank and Building Society Accounts Act [2008].

Barclays have provided this service with screenshots, including a snippet of Miss M's statement for her account to support when it was last used. The account was last used on 25 October 2019 when a credit of \$9,400 was made into the account, taking the balance to \$19,900.

While the terms and conditions mentioned above reference only the possibility of closing the account following non-use of the account, Barclays also provided this service with details of their internal guidance to support the length of time that would need to pass before they would review the account and treat it as dormant.

In addition Barclays provided screenshots to confirm that the letter dated 29 March 2022 was issued to Miss M.

The 29 March 2022 letter confirms that as it had been some time since the account was used, to reduce the potential for fraud, the account would be treated as dormant from 2 June 2022 with the funds remaining as Miss M's funds and continuing to earn interest if applicable. And that Miss M would need to either make a payment into or out of the account, or call Barclays in order to keep the account active. The letter also set out that to reactivate or close the account after 2 June 2022, Miss M would need to visit a branch with the letter

and identification. (It is my understanding that Miss M did go on to reactivate the account and move her funds out of it).

Because there was no contact from Miss M and no transactions made by 2 June 2022, Barclays treated the account as dormant from this date. Miss M has said she didn't become aware of this until September 2022 when she tried to access her funds.

In view of the steps Barclays took, it is difficult for me to say that they have done anything wrong here, as they have acted in line with their processes. I also have no reason to believe the letter of 29 March 2022 was not sent to Miss M given it was correctly addressed and was issued, as shown on Barclays' systems. Miss M has said she did not receive it, but I think it was more likely than not sent to her, and it would be unreasonable to hold any failure for delivery of the letter against Barclays, as that would've been the responsibility of the postal service. Barclays have also said that the letter would have been something Miss M could access through her app.

I am aware Miss M feels Barclays could have done more, and their actions were unfair, mainly for two reasons. Firstly, that she contacted Barclays in relation to this account early in March 2022. And secondly, because she had another active account with Barclays, and the Dormant Bank and Building Society Accounts Act 2008 makes reference for consideration to be given to other active accounts a customer might hold with the same institution.

I've first considered Miss M's interaction with Barclays in early March 2022.

As part of the additional information requested following the investigator's involvement, Barclays provided a copy of the call recording which took place between Miss M and the Barclays' staff member on 9 March 2022. I've listened to this call.

Miss M explains she is calling to check what she needs to do to make a withdrawal from her account, as she saw online that it may be necessary to reserve funds in advance. The staff member confirms there is a foreign till at Miss M's local branch and offers to send an e-mail to the branch to reserve funds. However, Miss M says she needs the funds that morning and the staff member says Miss M can go into the branch as there is a foreign till there, so she should be able to go in and request them.

However, Miss M didn't withdraw funds from the account at that time.

Barclays have explained that a discussion in relation to the account at that time would not have prevented the dormant account process from being carried out. Rather, a transaction would have needed to take place to do that. And Barclays said their member of staff (at that time) would not have known that the account, if not used, would soon become dormant.

Because of this, I don't think the interaction on 9 March 2022 was enough to have stopped Barclays from sending out the letter on 29 March 2022, or making the account dormant on 2 June 2022.

Miss M's second reason for not accepting that Barclays have acted fairly, relate to her holding another active account with Barclays and the legislation mentioned earlier.

I've considered the legislation Miss M has referenced; however, this recognises a bank or building society account as dormant when there has been no customer-initiated transaction for 15 years. So I don't think this legislation applies here.

Setting aside the definition of a dormant account as described for the purposes of the above legislation, there is no set time a bank or building society must use to determine that an

account is dormant – there is only industry guidance and good practice. And the time Barclays allowed before setting in motion their dormant account process falls within the generally accepted timescales.

I have considered good industry practice which includes guidance for banks and building societies dealing with dormant and lost accounts. This encourages firms to follow ten core pledges, which includes that in advance of making an account dormant following an extended period of inactivity, firms will write to the last known address asking whether the account should be kept open. Where no response is received it is expected that the account in question will be made dormant with the funds remaining in the beneficial ownership of the customer, continuing to attract interest.

I understand part of Miss M's concerns are that Barclays should've done more to contact her, by phone or SMS. However, as noted above, the general industry accepted practice is to write to the last known address, and it is also generally accepted that where there is no response, repeated attempts to contact customers is not expected, in part due to the potential fraud risks of doing so. So I think Barclays actions have been reasonable here.

Taking everything into account, while I do understand the frustration Miss M experienced in not being able to access her account when she wanted to, overall I think Barclays have acted fairly and reasonably in the circumstances by making Miss M's account dormant when they did. And having reviewed Barclays' internal records which support Miss M was on hold with Barclays for an extensive period of time and that she was later not called back when promised, I think the offer of £50 that Barclays made to recognise this is reasonable in the circumstances.

Responses to my Provisional Decision

Miss M replied to my provisional findings with further submissions. Miss M wished to explain that in March 2022 she had tried to withdraw funds. She said that following the telephone call on 9 March 2022 and instruction from the Barclays' staff member, she drove 30 minutes to town, paid for parking and went to the branch only to be told that the foreign exchange bureau was separate to having a foreign currency account so they were unable to complete a transaction for her.

Miss M said this demonstrated she had attempted to withdraw funds in March 2022, but Barclays prevented her from doing so. And had she been able to, then her account would not have been made dormant.

Miss M also said the length of time regaining access to her account was part of the same problem, as this had affected the exchange rate of USD to GBP. Miss M therefore queried whether she could make a separate complaint to Barclays and then to the Ombudsman.

We explained to Miss M that this service could not reconsider any complaints already looked at by our service. So it would not be possible to look again at the decision to make the account dormant, or the initial customer service Miss M received from Barclays when she discovered what had happened. It was noted that Miss M was free to approach Barclays to make a separate complaint about the delays she's described about regaining access to her account. However, given Miss M's other complaint to Barclays (referenced above) and our service having no involvement in that complaint, it was not possible to know what Barclays would or would not look into. And it was highlighted to Miss M that if any further cases were referred to this service, as with all complaints, we would first need to consider if under the rules this service follows it would be a complaint this service could consider, and should consider.

Miss M acknowledged there was an overlap of time with these events, and said she would contact Barclays separately about the time taken to get back access to her account.

Miss M's comments about the branch visit in March 2022 were put to Barclays. And Barclays were invited to make any further comments to my proposal that Miss M should be paid a further £50 to recognise the inconvenience caused to her for having made an unnecessary visit to the branch.

Barclays did not respond to the provisional decision or to the request for further comments by the deadline set.

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 taken Miss M's additional submissions into account, and in the absence of any further submissions from Barclays, I think it's more likely than not Miss M made an unnecessary visit to the branch in March 2022 when she relied on what she had been told by the Barclays' staff member during their call. I therefore think it's fair that Barclays pay Miss M £50 to recognise the inconvenience this caused.

However, I remain of the view that the telephone enquiry in March 2022 was not enough to have stopped the account being made dormant as there was no transaction through the account. If information given to Miss M in the call on 9 March 2022 had been clearer, then I think it's more likely than not Miss M would not have gone to the branch as she would have been aware it was not possible for her to obtain the funds she wanted on that day (given it seems from the call recording Miss M was looking to take out her money that morning). So I think it's fair to say a transaction would still not have gone through the account that day to have stopped the account becoming dormant. And for the same reasons, I do not think the visit to the branch stopped the account being made dormant either.

Overall, for the reasons above and those set out in my provisional findings, I think Barclays actions to make the account dormant were fair and reasonable in the circumstances. And the offer to pay £50 to recognise Barclays could have provided better customer service around the calls at the outset of Miss M's attempts to sort things out, is fair in the circumstances. However, I think Barclays should also pay Miss M a further £50 for the inconvenience of going to the branch in March 2022.

Putting things right

Barclays Bank UK Plc should pay Miss M £100.

My final decision

For the reasons above, I uphold Miss M's complaint in part and Barclays Bank UK Plc must put things right as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 19 April 2023.

Kristina Mathews
Ombudsman