

The complaint

A limited company, which I'll refer to as H, complains that Barclays Bank UK Plc wrongly closed its account, then delayed sending it a cheque for the account balance.

What happened

One of our investigators looked at this complaint. Briefly, he said:

- In 2022 Barclays carried out a Know Your Customer ('KYC') review of H's account. As part of that process, Barclays wrote to H's director asking for information about the business.
- He was satisfied that Barclays' letters were correctly sent to the business address held on its files, and that H's director would have seen banners requesting that she complete a KYC form when she logged into H's online banking throughout 2022.
- Barclays didn't receive a response to its information requests, so it sent H's director a further letter giving notice that it intended to close H's account. H did not respond to that letter either.
- He was satisfied that Barclays acted fairly when decided to close H's account – but he thought Barclays then went on to make errors in sending a cheque for the balance of the account (which was just under £3,000) to H's director. He said Barclays' errors caused delays of around two months, and he thought a compensation payment of £300 would be fair.

Barclays accepted our investigator's findings in full, but H and its representatives did not. H's director said that £300 was not acceptable given that she had to chase Barclays so many times for her company's money.

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, there is very little I can add to what our investigator has already said. Banks in the UK are strictly regulated, and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of new and existing relationships. That sometimes means – as in this case – that a bank chooses to carry out a KYC review.

I do not criticise Barclays for its decision to carry out the KYC review in the first place, nor do I criticise it for the way it carried out that review. I am satisfied that Barclays wrote several times to the business address it had on file for H, and that it did not receive a response. Barclays therefore closed H's account in line with the terms and conditions of that account.

However, I agree with our investigator that Barclays made errors after it closed H's account, and that those errors meant H's director didn't receive Barclays' cheque for the account balance as quickly as she should have done.

The account at the centre of this complaint belonged to H; it was not the personal account of H's director. That means I can only award compensation for losses suffered by H. I have no power to make any award to compensate H's director for any distress she may have suffered personally.

I have not seen any evidence to suggest that Barclays' delay caused H to suffer financial loss (and I note that H's representatives did not respond to our investigator's invitation to tell us about any financial loss H may have suffered). But Barclays' delay undoubtedly caused H some inconvenience. As its director says, she had to chase Barclays several times. I consider that Barclays should compensate H for that inconvenience.

Putting things right

Taking all the evidence into account, and applying my own judgement, I consider that £300 does represent fair compensation for the inconvenience Barclays' delays in sending the cheque caused to H.

My final decision

My final decision is that Barclays Bank Plc should pay H £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 8 June 2023.

Laura Colman
Ombudsman