

## **The complaint**

A limited company, which I will refer to as S, complains about the way Barclays Bank UK Plc carried out a Know Your Customer (KYC) review.

Mr D, a director of S, has brought the complaint on its behalf.

## **What happened**

Mr D told us:

- Barclays's database has been continually incorrect, and it has failed to correct its data – despite the fact he made repeated personal visits and telephone calls.
- Barclays sent aggressive form letters threatening to close S's account unless it received the data it needed on time. S complied, several times, and yet Barclays still got its data wrong.
- Getting through to Barclays' KYC area on the phone took many hours over several occasions. Barclays admitted that it was chronically understaffed, and that the staff it did have were undertrained.
- Barclays has offered £100 in compensation, but he believes that fair and equitable compensation under the relevant guidelines would be more than £5,000.

Barclays told us:

- It has a regulatory responsibility to periodically review business records to ensure that all KYC information is correct and up to date. It is satisfied that its KYC process was carried out correctly in respect of S's account, and there were no bank errors.
- Mr D contacted Barclays several times to provide information. On some occasions it required further clarification and/or additional information. This is a part of its KYC process and it does not consider that the additional requests represent an error.
- However, there were three calls where S's representative had to wait for over an hour to get through to its KYC team. It accepts that it provided poor service, and so it offered S £100 in compensation.
- Its customer here is S, a limited company, and not Mr D personally – and so it is not prepared to pay compensation for any personal distress Mr D might have suffered.

One of our investigators looked at this complaint, but did not uphold it. He didn't think Barclays had made a mistake when it requested information from S, so he didn't think it should have to pay compensation for the inconvenience S suffered in providing that information. He accepted that S's staff had to wait too long when they called Barclays, but he

thought the £100 Barclays had already offered was fair compensation for that inconvenience.

Barclays accepted our investigator's conclusions, but Mr D did not. Briefly, he said that Barclays' offer of £100 was derisory given the delays he and S experienced – and wrongly suggests that his valuable time as a business owner is worth well below minimum wage. He also said that S pays significant monthly fees for Barclays' Premier service, but the customer service standards it experienced were very far from "*a Premier, exemplary service*".

### **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've seen the additional information requests Barclays made, and I think they were fair and reasonable. I don't think they imply that Barclays had failed to record information correctly in the first place – instead, I think they imply that the information Barclays had caused it to ask further questions.

However, I do agree that Barclays' customer service could have been better here. There were several times when Mr D had to wait too long to speak to a Barclays' representative, and I think Barclays should compensate S for that.

### **Putting things right**

I want to stress that the award I am making here is intended to compensate S for the inconvenience caused by Barclays' poor service in respect of the telephone waiting times only. I acknowledge that having to comply with Barclays' KYC process would itself have been inconvenient, but I don't think Barclays made an error there – so it wouldn't be fair for me to order Barclays to pay compensation for inconvenience S suffered as a result, or to refund any fees. In addition, whilst I am aware that Mr D will have personally suffered some inconvenience, Barclays is right to say that its customer in respect of this complaint is S. Where the complainant is a limited company, I have no power to make an award for any distress caused to its director.

Our investigator said he didn't think S had suffered significant inconvenience as a result of Barclay's error. I know Mr D was very unhappy with that comment, but in my opinion our investigator was correct. It is unfortunate that Mr D had to wait so long to speak to Barclays, and I do think the impact was more than just minimal – so an apology alone wouldn't have been enough to remedy Barclays' error. But having considered all the circumstances and applied my own judgement, I am satisfied that an award of £100 does represent fair and reasonable compensation. We do not usually award compensation for inconvenience at an hourly rate, and I don't think it would be appropriate to do so here.

### **My final decision**

My final decision is that Barclays Bank UK Plc should pay S £100.

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

reject my decision before 24 July 2023.

Laura Colman  
**Ombudsman**