

The complaint

A limited company, which I will call F, complains about the way Barclays Bank UK Plc carried out a Know Your Customer (KYC) exercise.

F is represented in this complaint by its director, Mr B.

What happened

As part of its KYC exercise, Barclays asked Mr B to call one of its teams to provide information about his business. Barclays told us that it accepts those phone lines were extremely busy, and that Mr B had to wait much longer than it would have liked. It offered F £75 in compensation.

Mr B told us that his relationship with Barclays goes back several decades, but the service it offers now is poor. It is generally inefficient, and it was particularly inefficient in handling KYC. He had around seven hours of frustration over just this one issue.

One of our investigators looked at this complaint, and recommended that Barclays increase its compensation payment from £75 to £150. Overall, she thought the checks Barclays had carried out were necessary, but she said the process could have been smoother. Bearing in mind the impact on F as a limited company, she thought a total of £150 represented fair compensation.

She acknowledged Mr B's personal strength of feeling, but she explained that she could only consider compensation for F, not for Mr B personally. She also acknowledged that Mr B was unhappy with Barclays' actions more generally – beyond the issue surrounding KYC – but she said she couldn't consider those actions as part of this complaint.

Barclays accepted her recommendation, but Mr B did not. F's complaint was therefore referred to me as an ombudsman.

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, but I think the long wait times to speak to a call handler caused F unnecessary inconvenience – and Barclays should pay compensation as a result.

I make no award for financial loss, because I've seen nothing to suggest that the delays Mr B and F experienced made any difference to F's income or profitability. I also make no award to Mr B personally. I acknowledge his explanation that the company only acts through him, but nevertheless Mr B and F are two separate legal entities. I only have the power to make an award to the complainant, F, and so I cannot make an award for any distress Mr B may have suffered.

Putting things right

As our investigator explained, we usually say a compensation award of between £100 and £300 is fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out.

Taking into account all the circumstances, I agree that a total award of £150 (that is, the £75 Barclays has already offered plus a further £75) is fair and reasonable in this complaint.

My final decision

My final decision is that Barclays Bank UK Plc should pay F an additional £75, taking the total compensation for F's complaint about the KYC process to £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 16 August 2023.

Laura Colman
Ombudsman