

The complaint

A partnership, which I will refer to as V, complains about the way that Barclays Bank UK PLC handled a request to make a change to its bank account.

Mr S, who is a partner of V brings the complaint on V's behalf together with Mrs V, the executor of the late Mr V's estate.

What happened

Mr S and Mr V were formerly in business together and retain ownership of a property in which Mrs S and Mrs V also have an interest. The property generates an income which is paid into and distributed from a Barclays business account in the name of V.

When Mr V became unwell, it was decided to add Mrs V and Mrs S to the account to prevent the account being frozen in the event of Mr V's death. Barclays subsequently confirmed that the account wouldn't be frozen if Mr V passed away but there were issues trying to properly complete the mandate change form.

Mr S thought Barclays' mandate change form didn't make it adequately clear which signatories needed to sign in which box. Mr S was concerned that other customers would face similar problems.

Before coming to this service, Barclays offered to pay £100 compensation. After considering the complaint, our investigator agreed that the form provided by Barclays wasn't sufficiently clear about whether and where the new signatory to the account should sign.

The investigator said that even if the form was clearer, Barclays couldn't have made the mandate change as Mr V's signature didn't match the one it held on file and Barclays didn't have a copy of V's partnership agreement. The investigator did however think that it would've taken less time to fix the signature problem, had the form been clearer and had Barclays given a more complete explanation.

The investigator said that as it would take additional time to re-complete the forms and as there'd been significant concern over the possible freezing of the account, together with difficulties obtaining Mr V's signature, Barclays should pay more compensation than it had offered. The investigator recommended that Barclays pay £350 compensation. He didn't think it necessary for Barclays to amend the form before the parties completed it as they should now be aware of what information was required.

Barclays doesn't think that the mandate change form is unclear but it has agreed to pay £350 compensation.

Mr S doesn't entirely accept the investigator's recommendation. Mr S thinks there are two separate issues to consider. The first relates to Barclays' failure to clarify whether the bank account would be frozen if Mr V was to die. The second is Barclays' insistence that the mandate change form is clear when he feels it isn't. Mr S wants this service to direct Barclays to make changes to the wording of the form. Once the changes have been made,

Mr S says he will consider what would be an appropriate level of compensation.

Mr S also thinks Barclays should make the changes to the account to add the new signatories as there's clear authority from the account holders and proposed signatories.

The investigator considered everything that Mr S said in response to his view. He explained that this service doesn't have the power to punish or fine a business for their actions and that this would be the role of the regulator, the Financial Conduct Authority (FCA).

The investigator agreed that Barclays errors had caused distress but thought £350 was fair compensation where the impact has gone on over a couple of months. The investigator noted that Barclays responded quickly to advise on what changes needed to be carried out when completing the mandate change form. He also said V hadn't provided the partnership document as required, so didn't think V had done as much it could have to mitigate the impact. The investigator explained that these factors reduced the amount of compensation he would recommend.

Since bringing the complaint, Mr V has sadly passed away so he is now represented by the executor of his estate, Mrs V.

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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. The rules that govern this service allow me to do so but that doesn't mean I've not considered everything that both parties have given to us. It's just that to reach a decision that's fair and reasonable, I don't need to comment on every piece of correspondence.

I appreciate Mr S would like Barclays to amend the mandate form to help other customers but we deal with individual complaints about the service that someone has received. It would be for the FCA to investigate Barclays' business practices and procedures more generally. I can't fairly require Barclays to make the changes Mr S would like as part of its resolution of the complaint. I'm sorry that this is likely to disappoint Mr S.

I understand Mr S wants Barclays to pay more compensation, but I agree with the investigator that £350 is fair. As the investigator noted, when Barclays rejected the completed mandate change form in 2021, it explained who would need to sign the section to add an authorised person. Barclays also explained that Mr V's signature didn't match and that it needed a certified copy of the partnership agreement or deed. So V was promptly made aware of how to complete the form and that additional information was required. So, I'm satisfied that Barclays took reasonable steps to try and support V.

It's unfortunate that Barclays initially told V that the account may be frozen. I understand that V has raised further concerns over the account which are the subject of a separate complaint to Barclays. So, I am just considering whether £350 adequately reflects the upset and worry caused to V when it thought its account might be frozen in the event of Mr V's death, together with the difficulties it encountered when completing the mandate change form. Having done so, I still think £350 is fair as it falls within the range of award we might make where the mistake has caused considerable upset and significant inconvenience. For the avoidance of doubt, this award includes the £100 already offered by Barclays.

Finally, on the question of making changes to the account – I understand Mr S's point about

the signatories' intentions being clear to Barclays but I still think it's reasonable to expect the parties to complete the mandate change of form so that Barclays can make the necessary changes. If Mr S or any of the signatories have any queries about completing the form, I suggest they contact Barclays using the number it has previously provided.

Putting things right

To put things right, Barclays Bank UK PLC should pay V a total of £350 compensation.

My final decision

My final decision is that I uphold this complaint. In full and final settlement, I require Barclays Bank UK PLC to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs V on behalf of the estate of the late Mr V, to accept or reject my decision before 16 August 2023.

Gemma Bowen
Ombudsman