

## **The complaint**

A charity which I'll call 'R' complains that Barclays Bank UK Plc treated them unfairly when placing a fixed term deposit.

The complaint is brought on R's behalf by one of their trustees, Mr L.

## **What happened**

R held an account with Barclays.

R told us:

- In early 2022, the bank had taken away their dedicated business manager which meant they'd spent significant periods of time calling the bank as they'd only been provided generic contact details for the new team.
- Due to their size, their account is treated differently to other charity accounts which Mr L is responsible for. Their account is held by Barclays UK, whilst other accounts are held with the international entity of Barclays, which is treated as a different bank.
- Because their account is held with the UK bank, they aren't offered the same preferential interest rates and pricing as the other accounts, which they were when Mr L had a business manager. In October 2022, they were told there was a deposit rate of 4.89% for international customers but they couldn't receive this and could only have a rate of 1.92% as a Barclays UK customer.
- They'd intended to place £125,000 in a deposit account to benefit from increasing interest rates. However, in October 2022, they hadn't been able to get through to the correct department to make the transaction which meant they'd lost out on four days higher interest.
- Barclays incorrectly told them in October 2022 when they'd finally been able to speak to the bank, that the deposit had been made, when it hadn't. They had to chase the bank for many weeks to resolve the issue and they still don't know where their funds are held and the interest rate they are earning.
- They asked Barclays to provide them with information under a Subject Access Request ('SAR'), but this was incomplete and not in the required format.
- They are unhappy with Barclays' complaints handling process and Mr L, as trustee has been caused inconvenience. The bank has offered them compensation of £225, but this isn't enough for the inconvenience caused.
- When they were able to eventually place the deposit, they didn't get confirmation of this and couldn't see this on their online banking.

Barclays told us:

- It had taken the decision to change its business model when supporting business customers to a direct relationship team rather than an individual. This was a commercial decision, and it wouldn't be providing R with the dedicated business manager Mr L had requested as R's account was held by a different Barclays trading

entity.

- R had spoken to the bank on 24 October 2022 as they wanted to make a deposit of £125,000. In order to do this, it had needed to open a client record which would update overnight so it had agreed to call back the next day once this had been actioned. It called back on 25 October 2022, but Mr L said he'd suffered a personal tragedy overnight and was unable to speak. A further call back in 24 hours was agreed, however it accepted this hadn't taken place as agreed.
- It had apologised to R and offered £225 compensation for the inconvenience caused by not receiving the call back as agreed at what was a difficult time for Mr L. However, it didn't agree compensatory interest was due to R on the £125,000 deposit, because they had been made aware on the calls of 24 and 25 October that they would need to speak to the deposit team to complete the transaction. However, R didn't call back to action this.
- R would have been able to see from their online banking that the £125,000 deposit hadn't been made. It had also sent an account statement on 14 November 2022 that would have shown this.

Our investigator thought Barclay's offer was fair. She said that she couldn't look at the impact on Mr L personally, as this complaint had been brought on R's behalf, rather than in his personal capacity. She also said in summary:

- That it was a commercial decision Barclays was able to make on how it managed its customer relationships and the rates that it offered its customers.
- It wasn't reasonable to tell the bank it should provide R with an RM or offer it alternative rates.
- She didn't think that R had lost four days interest because they'd still benefitted from a twelve-month term – it just started four days later.
- Barclays wasn't required to provide R's SAR in an editable or searchable format, and the bank had provided a digital copy when requested. Although there had been a call missing from the SAR, this service was able to provide a copy and they delay hadn't impacted R's complaint with this service.
- Barclays did make an error in not calling R back after it had said this would be required when the charity had placed a large deposit. And the call times to the bank had taken longer than expected. However, R ought to have reasonably been aware that their deposit hadn't been made as requested when they'd spoken to the bank on 25 October.
- Based on the evidence available, the delay in placing R's funds in the fixed term account wasn't solely Barclays' fault. R hadn't mitigated their losses, nor were they entitled to the rate on which they'd based their losses. So, it was right that Barclays compensated R for its errors, but the £225 it had offered was enough to put things right.
- The issue regarding the confirmation of the deposit had been addressed by Barclays separately to this complaint and therefore had been addressed by this service under a separate complaint reference.

R didn't agree. They thought Barclays delays in contacting them and the onus placed on them to contact the bank when it didn't call was unreasonable. So, they felt the losses caused from changes in interest rate should have been taken into account. They also felt that their issue regarding the RM had been misunderstood, and that their complaint was

more to do with the lack of customer service now provided by Barclays. So, they asked for an ombudsman to review their complaint.

### **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, I'm sorry to disappoint R, but there's not much more that I can add to what our investigator has already said. I acknowledge Mr L feels strongly about what's happened. He's provided a lot of information and testimony in support of R's complaint. I've read and considered everything Mr L has provided, however, in this decision I've not commented on each and every point he's raised. I don't mean this as a discourtesy, this is simply due to the informal nature of this service.

### *Dedicated Relationship Manager*

R is unhappy that Barclays is no longer providing them with a dedicated business manager, and this has caused them inconvenience from call waiting times and the service they were receiving from the bank was poor. However, I'm unable to tell the bank to reinstate R's business manager as the decision to remove this dedicated service is a commercial decision that Barclays is able to make. It's for the bank to say how it wishes to provide its services, provided it has treated its customers fairly when making these changes. As Barclays has changed its business model and removed the dedicated RM support for all business customers meeting certain criteria, and not just R, I can't reasonably say that the bank has treated R unfairly here. So, I won't be awarding compensation to R because they are unhappy at the changes to Barclays' processes.

### *Interest rate differences and losses*

R says that they have been treated unfairly as they have been given a different rate for their deposit account compared to other charities that Mr L is a trustee for. But I don't agree. Our investigator has already explained the regulatory reasons why R's account is managed by a different entity to the other charities that Mr L is a trustee for, so I won't cover this again. However, even if R's account was held by the same Barclays entity, there is no obligation on the bank to offer a rate to a customer simply because another customer has received it. There are often different reasons why different rates are offered, for example, larger deposit amounts or longer terms usually benefit from comparatively higher interest rates. It's a commercial decision that Barclays can make on what rates it offers to customers who meet certain criteria. And our service wouldn't interfere with this decision if the bank was behaving fairly and reasonably. So, I don't think Barclays has treated R unfairly because their account is held a different Barclays entity and they were offered lower deposit rates available from that specific bank entity – not the 4.89% rate available for the wider Barclays group for which they were never going to be eligible.

R also says their interest rate losses haven't been considered. The charity says that in October 2022, they were offered a rate of 1.92% on their deposit, and that is the rate they believed had been applied. They said that because the bank had made an error, the deposit had only been made in December 2022 at a rate of 1.57% and they had lost out on around £438 of interest. But I don't agree. I'm sorry to hear about Mr L's personal circumstances around the time that R was looking to make their £125,000 deposit and the issues the charity experienced. However, based on what I've seen I don't think it's fair to hold Barclays solely responsible for the loss R says they have incurred.

It's not disputed by either party that Barclays said it would call back on 26 October 2022 and didn't do so. But I'm not persuaded that R had reasonable cause to think the deposit had

already been placed. I say this because Barclays said on the call of 24 October 2022, that it may need to call back about the account deposit – which it did on 25 October 2022. So even though R wasn't able to discuss the account on the call, they were aware the bank had needed to speak to them about it. I've also seen evidence of R's online banking and I can see that it was accessed more than 10 times before 17 November 2022 when the charity called the bank to query when the deposit hadn't been made. So even if I accepted that R may have thought it was taking a few days for the funds to be moved, I think by 31 October 2022, they ought reasonably to have been aware that there was an issue and they needed to contact the bank. Instead, they waited until 17 November to speak to Barclays, and at that point they were fully aware that the deposit hadn't been made – but still waited until 6 December 2022 to make the deposit.

R says that is unreasonable because after they contacted Barclays on 17 November 2022, it took until 6 December 2022 for the deposit to be placed. However, I've reviewed the evidence from both parties, and I think Barclays was clear on this call that it was unable to place the deposit as requested and it offered a call back to R to do so, but this was declined. I'm satisfied that it was clear by this point that R knew how to place the deposit but hadn't yet done so. And I think it's likely this was because they were unhappy with the rate offered as I can see they have repeatedly said since then that they needed to mitigate their losses and wanted a resolution to their complaint. So, I don't think the bank can be held fully accountable here. I can see that Barclays has apologised because its agent didn't call back as expected on 26 October and offered £225 compensation for the inconvenience this caused. Given that I think both parties are responsible for the delay in R's deposit being placed, and the bank has offered more than half the £438 loss R says it has incurred, I think this is a fair way to resolve this part of R's complaint.

#### *SAR and complaint handling*

R told us that Barclays' response to their SAR was unsatisfactory in how the data was provided. They are also unhappy that not all the information they requested was provided. But Barclays is allowed discretion on the format and what commercially sensitive information is provided within information requests. And whilst I acknowledge R's comments about the format of the SAR not being in the way they would like, I can see that once they made the bank aware of their preference for digital information, that this was provided. So, I don't think Barclays behaved unreasonably here.

I also recognise that R says the bank waited for the maximum time allowed to provide the information they'd requested. However, the ICO guidance is that businesses should respond to SARs within 30 days, and I can see that the bank provided the information within this timescale so I can't say it acted unreasonably by meeting the agreed timescale.

R is also unhappy with how Barclays dealt with their complaint. They told us that the bank's complaint handler didn't have the ability to resolve their issue and had been unsympathetic to the concerns Mr L had raised about Barclays systems and processes, and also his personal circumstances. However, whilst I recognise this was unhelpful to R, complaint handling isn't an activity our service covers. So, I'm unable to comment on this or say that the bank did anything wrong.

#### *Distress and inconvenience to Mr L*

Mr L told us that he's been caused distress and inconvenience from dealing with R's complaint, as a result of Barclays actions. He therefore feels that the bank should award him compensation. But this complaint has been brought on R's behalf, so R is the eligible complainant. This means I can't look at any distress or inconvenience caused to Mr L in a personal capacity. As R is a charity, it can't be caused distress, which means I can only look at the inconvenience caused to them by Barclays actions.

I'm sorry to disappoint R as I acknowledge they want more compensation from the loss of interest. However, based on all the circumstances of the complaint, I think Barclays offer of £225 for the inconvenience caused is enough to put things right. So, I won't be asking it to do anything more.

### **My final decision**

Barclays Bank UK Plc has already made an offer to pay £225 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays Bank UK Plc should pay R £225.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 20 February 2024.

Jenny Lomax  
**Ombudsman**