

The complaint

Mr G complains, as a director of F, a limited company, about the way that Barclays Bank UK PLC dealt with the refund of money owed to F on a dormant account.

What happened

In 2016, after Barclays stopped sending statements for the business account for F, Mr G contacted it to request the statements. He was advised that the account had been closed in November 2015 after being made dormant. He received some photocopied statements and visited his local branch to get the funds on the account released. It would appear that the branch was unable to do this.

Mr G revisited the issue in March 2022. He telephoned Barclays and was told that as the account was no longer in existence there were no statements to be produced. He visited a different branch of Barclays to produce his ID (identification). He was told that the funds (of around £180) on the account at the time it was closed would be sent to him within 12 weeks. He didn't receive the funds within that time and had to check again with Barclays. It appeared that the ID documents had not been properly uploaded. Mr G visited the branch again in June 2022 to provide further copies.

Finally on 15 July 2022, Mr G received the balance of monies from the account. Barclays offered a payment of £200 compensation for the inconvenience caused and £100 compensatory interest to reflect the time that F had been without the account at the time it was closed. Mr G rejected the offer.

On referral to the Financial Ombudsman Service our Investigator pointed out that as a limited company F could not suffer distress so no compensation could be awarded for that. He considered that the compensation offered by Barclays was reasonable.

Mr G contended that F had lost a lot of income, in the region of £26,000 from his abortive trips to the bank, wasted time on telephone calls and possible further loss of income from Barclays losing his ID documents. He contended that no letter of dormancy had been sent to the business address in 2015 and that in his conversations with Barclays at that time it had confirmed that no such letter had been sent.

The matter has been passed to me for further consideration.

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.

Where the evidence is unclear or in dispute, I reach my findings on the balance of probabilities, that is, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

dormancy

Mr G contends that he never received the dormancy letter in August 2015. As a result he did not know about the closure of the account in November 2015. I have seen a copy of the letter that was sent in August 2015. It is addressed to the correct business and address. Barclays has shown us its computer entry for the time to show it was sent. Whilst I appreciate that the letter was not sent recorded delivery (and I don't think it would have been reasonable to expect Barclays to have done so) I think it likely that the letter was sent. Although Mr G contends that he was told in a telephone call in 2016 that Barclays had not sent the letter there is no audio record of that call. And as Mr G did not chase up the matter for six years it's not reasonable to expect Barclays to have kept such a record.

If Mr G says he didn't receive the letter then I accept that but I do note that in December 2016 Barclays wrote to Mr G to explain that he had been warned that the account would be closed due to dormancy and was sent the necessary forms for completion.

Mr G visited his local branch some time in 2017 when he says he produced ID documents but Barclays was unable to reactivate the account or to pay him the balance on the account.

Due to the time that has elapsed the only records that Barclays have from that time are the letters I have referred to and notes that telephone calls were made. It appears that Barclays did not register a formal complaint and that consequently no final response letter was sent.

actions from February 2022 onwards

It appears that Mr G left the matter until February 2022. Given that he was aware at least from 2016 that the account was closed due to dormancy, I don't think that's Barclays was responsible for the delay in him taking up the matter again. Unfortunately due to the time that has elapsed it was more difficult for Barclays to find details of the account again. So to that extent the length of the phone calls he had with Barclays at that time weren't due to any failure on the part of Barclays.

I accept however that once Barclays had established what funds had been left in the closed account and received, following a branch visit, Mr G's ID documents, he had the right to expect that the funds would be forwarded to him. I accept that having to chase the matter up again and having to visit the branch again caused him (and by extension, F) some inconvenience. I shall set out my thoughts on the appropriate compensation below.

loss of private data

Mr G contends that on two occasions Barclays lost his ID documents thus leaving him susceptible to fraud. Because of the lack of evidence, I can't say what documents Barclays would have received from him in 2017. However Barclays has explained its procedure which would have been to copy the ID documents having returned the originals to Mr G and to upload them. At that stage any copy paper documents would have been shredded.

I think it's reasonable to accept Barclays' explanation. However it is not part of my function to make a finding of breach of the Data Protection Act. If he is concerned about the matter Mr G can refer it to the ICO (Information Commissioners Office). Further as the complainant is F, which is a limited company, it can't suffer distress so no compensation payment can be made for that. And I also would not award compensation for something that might happen in the future.

compensation

I reiterate that I can only award compensation for any inconvenience suffered by F (including that suffered on its behalf by Mr G) and/or financial losses. I can't award compensation for distress.

Having taken into account that Barclays did act appropriately with regard to advising Mr G about the dormancy of the account and its subsequent closure, I can't hold it responsible for subsequent difficulties in tracing the account when Mr G pursued this in 2022. As I've said, I can't say exactly what happened in around 2017 when Mr G says he visited the branch for the first time. Though I accept that as the matter wasn't resolved then he suffered some inconvenience. I think it was his choice not to pursue the matter further at that time so I don't think that F suffered any inconvenience caused by Barclays because of the delay in taking up the matter again. I accept further that Mr G had a wasted visit to his branch in March 2022 because the branch failed to upload his ID documents properly. Also I accept that Mr G had to make a number of telephone calls to resolve the situation. But I think that the offer of payment of £300 including compensatory interest was fair and reasonable.

I don't propose to make any award for financial losses. Anybody who makes a complaint has to spend a certain amount of their time dealing with it and in any event, I've no evidence of the income Mr G says F was earning, or likely lost. Further if, as Mr G contends, F incurred losses of over £26,000, I don't think it was reasonable or proportionate for him to do that to recover the £180 in the account. And finally I've seen no evidence that by Mr G visiting branches or making phone calls F had to incur those losses.

Mr G contends that he had to proceed in that way because Barclays had advised him it would be paying compensation. That is correct, though from the phone calls that I've listened to the only figures put forward were those mentioned above. There was never any indication that Barclays would be compensating F at an hourly rate for the professional time spent.

My final decision

Barclays has already made an offer to pay £300 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 £300 to F.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 11 October 2023.

Ray Lawley
Ombudsman