

The complaint

Mr S complains that Barclays Bank UK PLC conducted searches which appeared on his file, with CIFAS. He also complains that Barclays incorrectly told him it was reviewing his account and his account had been closed. He says this caused him trouble and upset.

What happened

Mr S has an account with Barclays.

Mr S is unhappy that Barclays carried out searches which appeared on his credit file with CIFAS, the UK's Credit Industry Fraud Avoidance System. Mr S discovered two searches had been completed by Barclays in March and April 2023, after he requested a copy of his credit file from CIFAS. Mr S says that the bank hasn't provided any explanation for why the searches were carried out.

On 20 April 2023, Mr S received an email from Barclays which asked him if he wanted to provide any information about the activity on his account, which may have led the bank to close his account. Barclays accepted that this email was sent to Mr S by mistake. It hadn't closed Mr S's account and wasn't investigating an activity on the account.

Mr S complained to Barclays. He said he was shocked and stressed to receive an email telling him that the bank was investigating the activity on his account. He says he called Barclays to try and find out what was happening and ask why the bank had carried out the two searches, but the bank wouldn't provide him with much information. Mr S said he had to spend time on the phone chasing Barclays for answers and the bank never kept him updated about what was happening.

In response Barclays said it couldn't tell Mr S why it had completed the searches. It pointed out that the terms and conditions of Mr S's account permit the bank to carry out searches and exchange information about customers and their accounts with credit reference agencies. So, it hadn't done anything wrong. However, it accepted it had made a mistake in sending the email to Mr S in April 2023. Barclays apologised and offered Mr S £50 compensation for any trouble and upset this had caused him.

Mr S remained unhappy. So, he brought his complaint to our service where one of our investigator's looked into what had happened.

The investigator said that as a regulated business, Barclays are entitled to review products and services that they offer customers, which may include conducting soft and hard credit searches. He said that he hadn't seen any evidence that Barclays had recorded any adverse information about Mr S on his credit file. He also said that Barclays offer of £50 compensation was fair.

Mr S disagreed and said that the investigator's conclusion was biased.

As no agreement could be reached the matter has come to me to decide

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.

Firstly, in response to the investigators view, Mr S has said he is concerned that the investigator is biased - with the implication being that Barclays is influencing our conclusions inappropriately. Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint. If Mr S does not agree with our view, he does not have to accept it, and if he does not accept this final decision, he will be free to continue to pursue his concerns by other means should he wish to do so. I cannot, however, advise him on how to go about doing that.

Having looked at all the evidence available to me, there's no doubt here that Barclays made a mistake by sending Mr S an email on 20 April 2023, asking him to provide information about the activity on his account, that led to the account being closed. Barclays has accepted it shouldn't have sent this email to Mr S.

Mr S has told this service about the impact the email had on him. He's said he had to call his GP and was advised to seek some counselling for the anxiety he said he suffered as a result of receiving the email. So, it's clear Mr S has suffered some unnecessary distress here.

I can understand that receiving the email would have been confusing and worrying for Mr S. And that he was caused inconvenience in having to contact Barclays to check what (if anything) was going on with his account. So it's only right that Barclays recognises this.

Barclays has apologised for sending Mr S the email and has offered Mr S £50 compensation for any trouble and upset receiving the email caused him. I can also see that Barclays wrote to Mr S in May 2023, letting him know that the email had been sent in error and his account wasn't going to be closed. And that his account wasn't under any sort of investigation. So, I think Barclays did its best to allay any concerns Mr S had about his account relatively quickly. With this in mind, I think Barclays offer is fair and reasonable and reflects the impact Barclays mistake had on Mr S and the overall circumstances of this complaint. So, I won't be asking them to anything more to resolve this aspect of Mr S's complaint.

Mr S is also unhappy that Barclays carried out two soft searches on his credit file, which appeared on his record with CIFAS. A soft search isn't visible to anyone else other than Mr S himself, so it doesn't have a negative impact on his credit file. Mr S also hasn't shown us any evidence that the searches had a material impact on him or caused any applications for credit to be declined.

I appreciate Barclays hasn't provided a full explanation to Mr S about why it conducted the searches. However, Barclays has said that the searches corresponded with Mr S visiting a branch to request a new cheque book. It's not unusual for a business, like Barclays to carry out searches with credit reference agencies when this happens. And to carry out searches to ensure that they are offering the right products. Barclays confirms this is something it does in its terms and conditions of the account. So, I can't say Barclays has done anything wrong here in completing a soft credit search.

In summary, I recognise how strongly Mr S feels about what's happened, and I don't doubt it was a frustrating and upsetting time. So, I realise he will be disappointed by my decision. But overall, based on the evidence I won't be asking Barclays to do anything more to resolve his complaint.

My final decision

For the reasons I've explained, my final decision is that if it hasn't already done so, Barclays Bank UK PLC should pay Mr S £50 compensation to resolve his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 March 2024.

Sharon Kerrison
Ombudsman