

The complaint

A company, which I will refer to as P, complains about the way Barclays Bank UK Plc carried out a Know Your Customer (KYC) review.

Mr R, who is a director of P, represents it in this complaint.

What happened

Mr R told us:

- Barclays' KYC process was inept and shambolic. Much of the information Barclays requested was either known to it already or available from Companies House.
- He was unable to complete the form Barclays provided, and spent hours trying to contact the right person on the phone. When he finally did manage to submit the information, he received a text message less than two hours later to say Barclays needed more from him.
- Barclays' staff agreed that the process was unsatisfactory, but point-blank refused to allow him to escalate the matter to someone more senior. The exercise was a complete waste of P's time, and requires full investigation and correction by Barclays' senior management.
- He is not seeking financial compensation for P, nor is he looking for a token apology. What he wants to see are changes within Barclays. For example, he wants Barclays to agree to undertake a comprehensive review of its complaints procedures, and for all customers to be free to escalate their complaints to whatever organisational level the customer feels is necessary.

Barclays told us:

- As part of its regulatory requirements, it has to ensure that it knows its customers. A key part of this is keeping its customers' details up-to-date.
- It appreciates that Mr R was frustrated with its KYC process. He was unable to get through to the correct departments, received incorrect SMS messages, was disconnected on calls, and struggled to access its secure mail gateway.
- Mr R was eventually able to provide the information it needed, and the KYC review is now complete.
- It has apologised to Mr R, but it did not initially make an offer of compensation because it believed that was not what he wanted.

One of our investigators looked at this complaint, but only upheld it in part. Our investigator didn't think Barclays made an error in carrying out its KYC review, and he said P's concerns

about complaint handling fell outside our jurisdiction. But he did consider that Barclays' customer service had been poor, and he recommended that Barclays pay P £200 in compensation for the inconvenience P had suffered as a result.

Barclays accepted our investigator's findings, but Mr R did not. The matter was therefore referred to me, to consider all the evidence independently from the outset.

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, my conclusions are:

- The Financial Ombudsman Service cannot consider Mr R's concerns about the way Barclays handles complaints.
- Barclays did not make an error when it asked Mr R for further information in respect of its KYC review, nor did it make an error when it warned him that it would close P's account if that information was not provided.
- However, Barclays' customer service was poor. It accepts that call waiting times were much longer than they should have been. Mr R was unable to get through to the correct department at Barclays, his calls were disconnected, and he had difficulty completing Barclays' forms online. I consider that £200 represents fair compensation for that inconvenience.

I give more details about my findings below.

I acknowledge that Mr R has made very clear here that his primary concern is to effect change at Barclays. His purpose in bringing this complaint was not to obtain compensation for P, but to bring about changes in the way Barclays handles complaints. I am sorry to further disappoint him, but our investigator was right to say that the Financial Ombudsman Service simply does not have the power to order Barclays to make the changes he has requested.

As an ombudsman, I have the power to order Barclays to pay compensation in respect of an individual dispute that has been brought before me (assuming that dispute falls within my jurisdiction). But can only make findings on that individual dispute. I am not a regulator, and I cannot order Barclays to make changes to the way it runs its business. I have no power to tell Barclays how to run its complaints department, nor can I order it to allow customers to correspond with senior members of staff.

I understand that given Mr R's professional experience, he fully accepts the necessity of KYC exercises. He is not complaining that Barclays looked at P's account. His complaint is that Barclays put P's directors to entirely unnecessary trouble. He says that Barclays should have been able to find most if not all of the information it needed through publicly available sources.

I have no concerns about the questions Barclays asked of P's directors. I accept that it could have obtained the information it requested by some method other than asking the directors (whether that be by looking at its own files, or by searching publicly available records). But I see nothing wrong in Barclays wanting to check with the directors that the information available to it was up-to-date.

Having said that, I consider that Barclays made it unnecessarily difficult for P's directors to provide it with the information it wanted. I consider that Barclays should pay compensation as a result, but that compensation is only for the additional inconvenience Barclays' poor customer service caused to P. Even if everything had gone smoothly, complying with Barclays' request that P go through its KYC process would still have caused P some inconvenience – but in that case I would not have made an award, because I don't think Barclays was wrong to carry out that KYC process. In addition, I make no award for the inconvenience suffered by Mr R personally; the complainant here is P, and I only have the power to make an award in favour of the complainant.

Putting things right

I have considered all the evidence both parties have provided. Having done so, I consider that a payment of £200 does represent fair compensation for the additional inconvenience caused by Barclays' poor customer service.

My final decision

My final decision is that I order Barclays Bank UK Plc to pay P £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 23 February 2024.

Laura Colman
Ombudsman