

The complaint

Mr K is unhappy that Barclays Bank UK PLC (“Barclays”) restricted access to his online banking and didn’t remove these restrictions in a timely manner.

What happened

Mr K is a named third party on his sister’s bank account with Barclays. He also has his own accounts with Barclays and uses his own online banking account to carry out transactions on his accounts, and his sister’s.

On 23 May 2023 Mr K tried to transfer £6,000 from his sister’s Barclays account to a third party account. This payment was stopped and a block was applied to Mr K’s online banking facilities while the payment was investigated. So he was unable to access or use his own accounts using online banking services.

Barclays tried to call Mr K to verify the payment. As Mr K didn’t recognise the number he had concerns about discussing his banking information over the phone. He was advised to call Barclays’ fraud team to discuss it further, which he did the next day. He was told the payment was cancelled and he’d need to make it again. Mr K tried this, but again it was stopped due to the same fraud concerns.

Mr K has said he contacted Barclays multiple times throughout the following two weeks to try and resolve the matter. He was told during these calls that his account was under review and it was unable to authorise the payment.

On 8 June 2023 Barclays told Mr K he would need to speak to its fraud team, which he did. He’s said he spent over two hours on the phone with this team and ultimately it only informed him the account was still under investigation before the call was disconnected. Mr K said he called back after the disconnection and the next person he spoke to told him he could go into branch with identification and access to his online banking would be reinstated. Mr K did this and the restrictions were removed.

Mr K complained to Barclays. It initially responded to him and said it had been entitled to review Mr K’s accounts and online banking facilities. But, after Mr K continued to complain it considered things again and agreed he was given incorrect information about the account being under review, and it should’ve told him to go into branch much sooner than it did. It offered him £200 to acknowledge the inconvenience he’d suffered.

Mr K didn’t think this resolved the matter and he brought the complaint to our service to consider. Our investigator looked into things and agreed Barclays had made mistakes. But overall they felt the £200 compensation offered was fair and reasonable and didn’t think it needed to do anything more. Mr K didn’t accept this so the complaint has been passed to me to make a decision.

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.

In May 2023 Barclays blocked a payment Mr K tried to make from an account he has third party authority for. And whilst I can see this caused inconvenience for Mr K, Barclays has an obligation to try and keep its customers' account safe and prevent fraudulent transactions.

Sometimes legitimate payments can be blocked as part of carrying out additional checks into any concerns, which is what's happened here. Whilst it can cause inconvenience to consumers when this happens, it doesn't follow that Barclays has done something wrong.

As the account the payment in question was being made from was being accessed through Mr K's online banking account, it was Mr K's online banking that was impacted. When the payment had been identified and blocked, Barclays took the reasonable steps of trying to contact Mr K to verify it. When Mr K was unwilling to provide security information during this call due to his own security concerns, it told him to contact its fraud team which he did. Barclays has confirmed this conversation should've resolved the matter.

However, when Mr K later tried to make the payment again, it was again stopped by Barclays. It also restricted access to Mr K's online banking facilities as this was the only way his sister's account was used and effectively prevented the use of her account. Barclays told Mr K the account was under review and that no further information was available to him until this review was complete.

As Barclays has confirmed the second round of restrictions shouldn't have happened, I accept that the efforts Mr K had to make from this point in order to try and regain access to his online banking facility were an inconvenience that has been caused by an error on Barclays' part.

Mr K has said the restrictions which prevented him from using his online banking were a significant inconvenience as there were some banking activities he was unable to carry out. He hasn't provided much detail around this, but both Mr K and Barclays have confirmed he was able to continue using the cards linked to his accounts. And telephone banking was still available throughout. So it appears all banking services he might've needed were still available to him, albeit in a potentially less convenient format.

Overall Mr K's online banking was restricted for just over two weeks. And whilst he could still use his account day to day as his card was active, I can see it may have been more inconvenient to use telephone banking if this wasn't his preferred way of managing his accounts. So I accept he has suffered inconvenience as a result of Barclays' mistake.

Mr K has also explained that as a result of being told his account was under review he made over 12 phone calls to the business in total and spent hours trying to resolve the matter. Barclays' records don't reflect receiving this amount of calls from Mr K. But it's clear Mr K did call a number of times to try and obtain more information about his account and I can see it would've been frustrating not to have received any meaningful information.

But even taking into account all of the calls Mr K says he made to Barclays, together with the other circumstances Mr K has described and the unnecessary visit to branch, I'm satisfied the £200 already offered by Barclays is fair and reasonable compensation in this case.

I understand Mr K has asked for further information about what the error was that caused this situation. And I do understand this. In this case it appears the wrong process was

triggered due to human error. Whilst Mr K may want to know more about this, to go into more depth about exactly what error occurred in relation to Barclays' internal processes and systems would be commercially sensitive information, and information that ultimately isn't relevant here.

Barclays has acknowledged it made a mistake in this case and has sought to put this right. I can see the situation has understandably caused Mr K some worry but having reviewed the complaint I'm satisfied Barclays has taken reasonable steps to resolve things so I won't be asking it to do anything more.

My final decision

Barclays Bank UK PLC should pay Mr K the £200 previously offered if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 June 2024.

Faye Brownhill
Ombudsman