

## **The complaint**

Mr and Mrs A complain that Barclays Bank UK PLC ("Barclays") racially discriminated against them when carrying out its security checks by refusing to remove a block that had been applied to their account following them correctly answering security questions put to them. Furthermore, they complain that Barclays wrongly alleged that their daughter was coercing Mrs A.

## **What happened**

Mr and Mrs A held a joint bank account with Barclays. Mrs A downloaded the Barclays mobile banking app and following which attempted to transfer £5,000 from their joint account to her daughter's account to pay a mortgage. Due to a transfer value limit only two separate transfers of £2,000 were allowed and the final transaction of £1,000 was flagged by Barclays for a security check and a temporary block placed on the account.

The following day Mrs A, with assistance from her daughter, phoned Barclays and spoke to one of its advisors. They carried out security checks which involved asking a series of security questions including Mrs A's address, overdraft limit, age at next birthday etc. During the course of the conversation the phone was handed between Mrs A and her daughter.

Mrs A and her daughter say the advisor became increasingly hostile during the questioning, especially, they say when the advisor learned the money they wished to transfer to the daughter's account had originally come from a bank account held abroad.

The Barclays advisor wasn't satisfied with the answers to the security questions and had concerns about Mrs A being scammed. Mrs A's daughter asked the advisor to explain what the root cause of her scam concerns were. The advisor explained that she had concerns about scams and fraudulent activity due to the recent registration and downloading of the Barclays app and immediate attempt to transfer a large sum of money. The advisor continued to question the source of the funds and the transaction they wished to make but was unsatisfied with the answers and after being accused of racially profiling the advisor ended the call.

Mrs A says despite correctly answering the security questions the advisor didn't want to move the block because she believed Mrs A and her daughter were committing a crime and that they were being discriminated against. Mrs A was told that her and Mr A would need to come into a branch with two forms of ID to have the block lifted or alternatively a video call could be arranged.

Mrs A called Barclays back and spoke to a different advisor. Mrs A says although they once again took her through the security questions the experience was completely different - the advisor was professional and asked appropriate questions and the block was lifted.

Following this Mr and Mrs A's daughter raised a complaint on their behalf about racial misconduct and regarding the way the initial advisor had treated them.

Barclays upheld their complaint on the basis that the advisor could've handled the call better and based on the answers provided the block should've been lifted. Mrs A says she was initially told the advisor had concerns Mrs A was being coerced by her daughter as in similar scam or fraud situations in the past this was a common theme.

Barclays said the advisor was just following its processes and in Mr and Mrs A's circumstances where a new app had been registered and set up and funds transferred into the account with a view to transfer these directly out of the account immediately afterwards - that this fits the classic profile of behaviour displayed by a fraudster or scammer who has gained access to either an account or the trust of an account holder. Barclays didn't believe there was any racial misconduct but rather confusion. Barclays also felt that the second advisor who lifted the block should've done a more thorough review of the profile and a more detailed scam conversation should've been done. Barclays offered Mr and Mrs A £100 compensation as a gesture of goodwill.

Mr and Mrs A were dissatisfied with this and brought their complaint to this service.

One of our investigators looked into Mr and Mrs A's concerns and thought that Barclays had correctly followed the procedures it had in place for safeguarding its customers from fraud and scams and didn't think the actions Barclays took were unreasonable. They agreed that the call with the Barclays advisor could've been handled better but wasn't persuaded there was enough evidence to say that Mr and Mrs A had been racially discriminated against - rather than an overzealous adviser following Barclays processes too stringently. They thought given the block was lifted on the same day and that Mr and Mrs A were able to carry out the transaction that the £100 compensation offered was fair and reasonable in the circumstances given the impact.

Mr and Mrs A disagreed. Mrs A says Barclays failed to investigate their complaint regarding racial misconduct and denied implying that there were concerns that her daughter had coerced her. Mr and Mrs A want Barclays to reconsider its position regarding their complaint and increase its offer of compensation and have asked for an ombudsman's decision on the matter.

### **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.

I hope that Mr and Mrs A won't take it as a discourtesy that I've condensed their complaint in the way that I have. Ours is an informal dispute resolution service and I've concentrated on what I consider to be the crux of the complaint – our rules allow me to do that.

And the crux of Mr and Mrs A's complaint is regarding the service Mrs A and her daughter received from a Barclays advisor when Mrs A phoned it regarding a temporary block that had been applied to their account. In particular, they say the advisor was aggressive, asked inappropriate questions and racially discriminated against them when the advisor found out where the funds had come from that had credited their account.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the bank change its policies or procedures – such as when or how it invokes safeguarding and fraud prevention measures when it has concerns about transactions a customer wishes to make. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at problems that Mr and Mrs A have experienced and see if Barclays has done anything wrong. If it has, I'd seek to put Mr and Mrs A back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

So the question I have to ask here is was it reasonable for Barclays to invoke the security procedures in the circumstances of Mr and Mrs A's case and did Barclays do anything wrong in not lifting the block following the initial phone call between Barclays advisor and Mrs A and her daughter. And I don't think Barclays actions were unreasonable. As I've already explained above it's not for me to tell Barclays how to run its business, but I would expect Barclays to have policies and processes in place to protect it and its customers against fraud – and I think Mr and Mrs A would agree and understand that.

In this case Barclays systems flagged a transaction that Mrs A's daughter was trying to make on her parent's behalf using the Barclays app Mrs A had just downloaded. Due to the value exceeding the limit Barclays had in place a block was applied to the account until further security checks were carried out.

Mrs A with the assistance of her daughter then duly called Barclays to satisfy its security checks and verify the transaction they wished to make. I've listened to the phone call that took place between the Barclays advisor, Mrs A and her daughter. And while I appreciate the downloading of the app, the account activity and the way Mr and Mrs A wished to transact and conduct their financial affairs with assistance from their daughter from their perspective was completely legitimate, indeed they held all the knowledge and had reasons for wanting to transact in this way.

But from the advisor's perspective all they knew was that Mrs A downloaded an app, received a large sum of money from a foreign bank account which they immediately wanted to transfer to another account – their daughters - who was there explaining on Mrs A's behalf the set up and that she had been trying to transfer money using her mother's phone to her account from Mr and Mrs A's account to pay a mortgage. This type of transaction in Barclays experience could be an indicator of fraudulent activity. So I don't think it was unreasonable for Barclays advisor to want to satisfy themselves that this wasn't the case in this instance – and ensure that Mrs A wasn't going to be a victim of a scam or fraud or being coerced whether it was by a family member or not.

Mr and Mrs A and their daughter may well feel that some of the questions were inappropriate and / or irrelevant. In particular, they didn't think it was relevant why they were asked about the ownership of their home and why Mr A hadn't just transferred the money directly to his daughter, rather than to the joint account and then out again and that they believe the advisor was racially discriminating against them because of where the money they wanted to transfer came from.

I understand their frustration but from what I've heard I don't think the advisor's questions were racially discriminatory. I think they were trying to follow a process and were confused about the set up and what Mr and Mrs A were trying to achieve and wanted to be sure it was Mrs A who was instigating the transaction. Indeed, I was confused with what I heard. I also don't think the Barclays advisor was being aggressive – if anything I think Mrs A's daughter was being confrontational in response no doubt to the frustration she was feeling.

And although I accept that the second advisor Mrs A spoke to had a different response to the first - I don't think it would be fair for Barclays's staff to be restricted or penalised in using their discretion to question transactions they are concerned about when they are following procedures put in place to safeguard customers. I also note that the second advisor wasn't furnished with as much information as the first, so the situation wasn't quite the same.

So overall, I don't think Barclays advisor's actions were unreasonable or that they treated Mr and Mrs A unfairly. My understanding is that the block was lifted on the same day as both phone calls to the two different advisors took place and Mr and Mrs A weren't stopped from making the transaction they wished to make. Though I acknowledge that due to technical difficulties Barclays were having, Mrs A and her daughter had to call on more than one occasion and were inconvenienced by this.

But as I haven't been given any evidence to show me that the delay in lifting the block has led to any financial loss, I think the £100 compensation already paid to Mr and Mrs A for the inconvenience suffered is a fair way to settle this complaint and I don't think Barclays needs to do anything more.

### **My final decision**

For the reasons I've explained, I think what Barclays Bank UK PLC has already done to settle Mr and Mrs A's complaint is fair and I'm not going to ask it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 31 January 2024.

Caroline Davies  
**Ombudsman**