

The complaint

A charity which I'll call 'C' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on C's behalf by one of their trustees, Mr K. He is represented by Mr P, so for ease, I'll refer to Mr P throughout the decision.

What happened

C held a current account with Barclays.

C told us:

- Barclays undertook a 'Know Your Customer' ('KYC') review in April 2022, and from that date, it restricted their ability to open any new accounts until the matter was finally resolved in February 2023.
- Barclays kept writing to the charity to say that it was going to close their accounts as it hadn't received the required information – however this had repeatedly been provided. And when they called the bank, they were repeatedly told there was no issue with the account.
- They were concerned about being left without an account due to the letters from Barclays they felt they had no option but to open an account with another bank.
- They'd received poor service from Barclays as it had been emailing the incorrect email address and expecting the charity to reply, and they'd had to repeatedly send information and call the bank because different staff members didn't do as they'd agreed. This had caused the charity inconvenience as Mr P had to spend time away from his other responsibilities for the charity.

Barclays told us:

- It had undertaken a KYC review of C's account in line with its legal and regulatory obligations.
- It couldn't locate the calls it had with C, but it didn't doubt their version of events that its service could have been better. It also accepted that it had sent emails to a mis-typed email address, so C didn't get the email correspondence.
- It had confirmed to C that all the information it needed had been received.
- It had apologised to C for the inconvenience caused and paid £75 compensation for the inconvenience caused.

Our investigator recommended the complaint be upheld. She didn't think Barclays had treated C fairly as it had sent emails about the KYC review to the wrong email address. She also noted that C had been dealing with several agents over a lengthy period, and this had meant information not being provided correctly and C's trustees spending unnecessary time away from the charity. So, she thought Barclays should increase the compensation payable by a further £125 to a total of £200.

Barclays accepted the investigators opinion, but C didn't agree. They said that £200 wasn't enough compensation for the time spent and inconvenience caused by Barclays actions, and asked that an ombudsman review their complaint.

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, I'm sorry to disappoint Mr P, but there's not much more that I can add to what our investigator has already said regarding C's complaint.

Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers, which means the bank may need to check from time to time that the information it holds for its customer is correct. It is a commercial decision which Barclays is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations. It's in the terms and conditions of C's account that when Barclays requests information from them, that they provide this. So, I'm satisfied that some of the calls and information which C provided to the bank would always have been required.

That being said, Barclays has provided a copy of their case notes which show that there was a gap of around seven months where there was no contact from the bank to C. So, I recognise it would have been frustrating for the charity to suddenly receive notification that their account would be restricted. I've also seen that C had to call Barclays repeatedly to discuss the banks requirements, I think it's likely the charity was given conflicting information – which Barclays has also accepted and paid £75 compensation for. However, I'm not satisfied that's sufficient compensation for the inconvenience caused to C and I agree with our investigator that £200 is more appropriate.

I recognise that Mr P doesn't feel this is enough compensation to put things right. However, as our investigator has explained, our service can only award compensation to the eligible complainant. In this case, that's C not Mr P and the charity cannot experience distress. I don't dispute that the letters received by Barclays may have been distressing for Mr P and the other trustees. However, I can only look at the inconvenience caused to C. I also want to make clear that our service doesn't award losses based on an hourly rate. We look at complaints holistically and consider the overall impact on a complainant.

Mr P has also mentioned in his response to our investigator about the notice to close letter received by the charity and that they couldn't open a USD account. However, these complaint points weren't brought to our service as part of this complaint and therefore it would be inappropriate for me to comment on, or take this into consideration as part of this complaint.

Putting things right

I know Mr P and the other trustees feel strongly about C's complaint and wanted more compensation. However, based on all the circumstances of this complaint, I think £200 compensation for the inconvenience caused is enough to put things right.

My final decision

My final decision is that I uphold C's complaint. I instruct Barclays Bank UK Plc to increase the compensation paid to C by £125 to a total of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 26 March 2024.

Jenny Lomax
Ombudsman