

## **The complaint**

A partnership which I'll call 'S' complains that Barclays Bank UK Plc behaved unreasonably when it restricted their account.

The complaint is brought on S's behalf by one of the partners, Mr T. He is represented throughout by Mrs W.

## **What happened**

S held a business account with Barclays.

S told us:

- In November 2021, they contacted Barclays to say that one of their partners had passed away.
- On 30 March 2022, without warning their account was restricted and payments – including direct debits were suspended.
- They contacted Barclays immediately and were told that the restriction would be removed within 24 hours so their payments could be made as planned. However, this didn't happen, so they had to make all their payments manually and then reinstate the direct debits again.
- They made a complaint to Barclays, and it took five months for the bank to respond which was unreasonable.
- Barclays said it had sent letters to the partnership, but these hadn't been received. If the bank hadn't received a response from these letters, it should have contacted them in a different way rather than restricting their account.
- Barclays had offered them £200 compensation because their direct debits hadn't been paid as it had said they would be, but they didn't think this was enough for the distress and inconvenience they'd been caused.

Barclays told us:

- It had sent three letters to S between November 2021 and February 2022 requesting information. The letter of 25 February 2022 said that if S didn't provide the requested information by 28 March 2022, their account would be restricted.
- On 30 March 2022, it restricted S's account and sent them a letter saying that all payments had been suspended.
- S contacted it on 31 March 2022 to request the restriction was removed so they could make their payments. The call handler gave S incorrect information and said

that the restrictions would be removed within 24 hours so their payments could be made, which wasn't true.

- It accepted it had given S incorrect information on this call and offered £200 compensation. However, it was satisfied that the account had been restricted correctly.

Our investigator thought Barclays offer of £200 compensation for giving S insufficient information on when the account restriction would be lifted was fair. He thought that Barclays had contacted S to request information, and then given the partners sufficient notice that their account would be restricted if this wasn't provided. So, he didn't think the bank had done anything wrong when it had restricted the account.

S didn't agree and asked for an ombudsman to 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've decided not to uphold it. I'm sorry to disappoint S, but there's not much more that I can add to what our investigator has already said. S says that their account was unfairly restricted in March 2022 without warning. However, I'm not persuaded that's the case. I'm satisfied that Barclays acted fairly when it restricted S's account, and that it did give S appropriate notice of that restriction.

Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. Even if a customer had an existing relationship with the bank, customer circumstances can and do change (which unfortunately for S was the cause of its initial contact with the bank) so Barclays' needs to check that the information it holds for its customer is correct. In this case, it was whether the partnership would continue. 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.

S says that it didn't receive the letters Barclays sent to it. However, both S and Barclays have provided us with a copy of all the letters which show they were sent to S's address. The bank has also given us copies of their case notes showing when these were sent and by the various staff members. So, I'm satisfied that these were sent by Barclays. I recognise S says that if the bank didn't receive a response, it should have contacted them in an alternative way. I also acknowledge that S said they'd had a meeting with their Barclays Relationship Manager in January 2022, who also wasn't aware of the request. However, Barclays isn't obligated to contact customers in an alternative way, and it has told us there is no record of a meeting taking place between S and their Relationship Manager around that time.

However, even I accept that this meeting did take place, whilst I understand S's frustration here, it is a commercial decision the bank is able to make on how it communicates both with customers and internally. In this case, the bank sent S letters, which were not returned as undelivered so in line with the account terms, it had fulfilled its obligations to contact S. So, I don't think Barclays did anything wrong here.

I can see that S called Barclays on 31 March 2022 and was given incorrect information about the restriction being removed within 24 hours so they could make their regular payments. I acknowledge that S says it took a significant time for them to manually make those payments, and this distress this caused due to the circumstances which caused the

restriction. However, I think S would always have had to make manual payments because of the account restriction. And as I think it was reasonable for the bank to restrict S's account when it didn't receive the requested information, it follows that I don't think compensation is warranted for the resultant actions. I've also seen S's account history which shows that their account was reinstated within 48 hours of this phone call. Therefore, I think the £200 compensation offered by Barclays due to the incorrect information being provided on the call was sufficient.

S told us they were unhappy because it took Barclays five months to respond to their complaint. I'm sorry to disappoint S, but complaint handling isn't a regulated activity and therefore I can't make a finding on whether this was an unreasonable timeframe for the bank to respond.

### **My final decision**

Barclays Bank UK Plc has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays Bank UK Plc should pay £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 15 January 2024.

Jenny Lomax  
**Ombudsman**