

The complaint and what happened

Y In July 2023 Barclays Bank UK PLC blocked Mr T's account and insisted that he go into branch with evidence of his identity. He did so the same day, the bank updated its records and unblocked the account.

In its final response letter, Barclays offered £100 compensation to Mr T by way of an apology and to recognise the inconvenience he was caused. After Mr T referred the matter to this service, Barclays increased the offer to £200. Our investigator thought this was fair and reasonable but Mr T did not accept, so the complaint has come to me.

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.

Banks are required to hold certain evidence of a customer's identity in order to meet the rules and regulations relating to the prevention of financial crime. And, where these are not held, it's usually fair to block a customer's account while these are obtained. The bank should notify the consumer what information is required and give them sufficient time to provide it.

Barclays referenced this scenario in its final response letter, but noted that notification wasn't sent to Mr T. It appears he became aware of the account block when he tried to access his account using mobile banking.

Barclays says Mr T's identification information simply dropped off its system, but it's not explained why this happened or why no notification was sent to Mr T. That's unhelpful and I can understand why Mr T was concerned to learn of the block in the way that he did – this likely caused some confusion and worry.

As noted above, Mr T called the bank, visited the branch to provide his identification documents and got his account unblocked all within the same day. He says the whole matter took half a day to sort out. He wants £400 compensation to take into account his loss of earnings and inconvenience on that day, as well as the time he's spent since pursuing his complaint with our service.

I've considered Mr T's request carefully and I accept he's been caused distress and inconvenience. But I'm also pleased to see that the underlying matter was resolved relatively quickly and an offer of compensation was made. Overall, I'm satisfied that £200 is a fair and reasonable award in all the circumstances of this complaint.

My final decision

My final decision is that Barclays Bank UK PLC should pay £200 to Mr T. It should do so within 28 days of the date on which we tell it that Mr T accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 February 2024.

Ruth Hersey
Ombudsman