

The complaint

Mrs I is unhappy that Barclays Bank UK PLC blocked her bank account without warning.

What happened

Mrs I said a friend transferred funds into her account. Barclays later blocked both their accounts while it conducted security checks on the payment. Mrs I phoned the bank and was informed that she would need to contact her friend and ask them to contact Barclays to confirm the payment was genuine.

Mrs I complained that it blocked her account without notifying her. In response to the complaint, Barclays said safeguards were applied to the account and removed the following day after the sender confirmed the payment was genuine. It said it cannot inform customers prior to applying safeguards and it is obliged to place them on accounts whilst completing a review in line with its terms and conditions.

Mrs I didn't accept what Barclays said and referred her complaint to our service, but our investigator didn't think it should be upheld. He said, the payment was identified by its fraud prevention system, and he didn't think it was wrong for Barclays to block the account until the activity had been verified. He thought the block had been removed in a timely manner. And our investigator didn't think any correspondence about the block would have changed anything.

Mrs I doesn't agree with our investigator and says that Barclays could have informed her via the app that it was placing a block on her account, that way she could have taken necessary measures to take her son on holiday. Mrs I also says individuals should be informed of urgent matters that might affect them and it is a basic right. Mrs I thinks she was treated unfairly due to her ethnic identity and says that the bank put her in a position where there wasn't anything she could do about the restriction. Our investigator did not change his opinion and explained that a message was issued on the app, which Mrs I would have seen when she attempted to use it.

As an agreement could not be reached, the complaint has been passed to me to decide.

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.

Firstly, I want to reassure Mrs I that I've taken into account everything she said. However, I haven't commented on it all here, instead I've focused on explaining what I think is key to the decision I've reached. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome.

Mrs I is unhappy that Barclays blocked her account while it conducted its security checks. I appreciate that she doesn't think it should be able to block both accounts for a transaction of only £450. However, Barclays is required to have processes in place to protect its customers

and to prevent financial crime. And the way in which it organises its internal systems, and the processes it has in place, such as its fraud prevention systems and protocols, is a commercial matter it is entitled to decide internally. It's not something our service would look to interfere with.

So what I have thought about is whether Mrs I has been treated fairly and reasonably in the particular circumstances of this complaint. Having done so, I agree with the outcome our investigator reached, and for similar reasons.

Barclays explained that the transaction raised an alert on its fraud prevention system. It said it placed safeguards on Mrs I's accounts in line with its procedures. As it had reason to be concerned that the transaction was fraudulent, I think that's fair. And I wouldn't expect the bank to inform customers before applying a restriction due to potential fraud. Barclays explained that it wouldn't always contact a consumer to inform them when it applied a restriction on their account. Considering the nature of its concerns, I do not find that to be unreasonable.

Nevertheless, a message was provided via the online application which instructed Mrs I to contact the bank, so I find Barclays did enough to make her aware that there was a problem. I note Mrs I saw this message on the same day the restriction was applied, contacted Barclays and was instructed on how to have the restrictions lifted. While I appreciate that Mrs I would like to have been informed immediately, I'm satisfied she became aware of the issue relatively quickly.

I understand why Mrs I might have felt the matter was out of her control as she had to depend on her friend to verify the payment was genuine before her account would be unrestricted. But I do not find it was unreasonable for Barclays to temporarily restrict the account if it had concerns that there was potentially fraudulent activity being undertaken. I can see that Barclays lifted the restrictions the following day, as such, I'm satisfied it was resolved in good time.

Mrs I says Barclays discriminated against her because of her ethnicity when it restricted her account. I should explain that it's not my role to decide if the Equality Act has been breached as that's for a court to decide. However, I've looked at whether Mrs I was treated fairly.

Barclays is entitled to take steps to protect its customers against financial harm. So, I don't find it's unreasonable it placed temporary restriction while the verification checks were carried out. And I'm satisfied it treated Mrs I as it would another customer in similar circumstances.

I would add that, using financial services is not always hassle free. I understand that Mrs I found the situation upsetting, and I can appreciate that it would have been worrying that she didn't have access to or control over her accounts. Ultimately, I find any inconvenience Mrs I experienced was short lived, as the restrictions were removed the following day. Nonetheless, as I have not found that Barclays did anything wrong here, I would not hold it responsible for the inconvenience and upset she experienced.

My final decision

For the reasons given above, I have decided I do not uphold this complaint.

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

Oluwatobi Balogun
Ombudsman