

## **The complaint**

M, a limited company, complains that Barclays Bank UK Plc unreasonably blocked their account. They'd like to be compensated for the inconvenience caused.

## **What happened**

The facts of this case are well known to both parties, and largely not in dispute. I will cover them only briefly here. On 16 May 2023 M discovered that Barclays had blocked its account, while they carried out a review. There had been a report that a payment into M's account had been fraudulent. Barclays told M the review could take up to seven days.

Barclays concluded that M had done nothing wrong, but the blocks weren't removed until 14 June 2023. M complained, and the bank accepted they had left the blocks in place too long. They offered M £500 in compensation. This was rejected by M, but later accepted and paid in to M's account.

Dissatisfied with the response to the complaint M referred the complaint to our service. Our investigator thought that it was reasonable for Barclays to block the account while they carried out a review. But they agreed that there had been a delay in lifting the blocks on the account. But they also saw that regular payments and credits on M's account while the block was in place. The investigator felt that the £500 compensation already paid by Barclays was sufficient compensation for the impact of the delays.

M disagreed, saying the £500 had been given as a goodwill gesture and unrelated to the complaint, and that the call recordings would demonstrate this. It felt that the losses suffered were worth £12,000. As no agreement could 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.

Here, I'm satisfied that Barclays received a report that M had received fraudulent funds into their account. The bank have numerous legal and regulatory obligations to keep to, concerned with preventing and detecting fraud. It's right that Barclays treat this report seriously and investigate what happened. And it's reasonable that the bank can restrict the activities on an account while they do – there is provision for this in the terms of the account. So, I'm satisfied that the initial restriction on M's account was reasonable.

I'm also persuaded that M had received these funds in good faith, and the issue appeared to be a dispute with a customer. I'm satisfied that Barclays had enough information to draw this conclusion within the seven days they said the investigation would take. Instead, it took almost three further weeks. Barclays haven't been able to provide a reasonable explanation for this delay and have accepted this was an error. I'm persuaded that this will have had an impact on M's day-to-day business. It's appropriate that the bank offer a degree of compensation for this.

I've considered what an appropriate amount would be – bearing in mind that as the complainant here is M. As a limited company M is a separate and distinct legal entity from any individual. As such I cannot award compensation for any personal upset caused to the director or staff of M. I've noted what the director has said about how branch interactions made him feel, and the testimony he's provided from his staff. But I'm unable to comment on these points, as these don't directly relate to the complainant – M.

From the statements of M's account, I can see that for the period the account was restricted there were few incoming payments – mostly from a merchant acquirer. But I can also see that regular direct debits and standing orders, such as those for utilities and insurance, were still being paid. I haven't seen any evidence of specific losses from invoices or bills not being met. But I accept it's likely to have a detrimental effect on M's relationship with suppliers.

M has submitted payslips for employees as evidence of payments that couldn't be met. Although I note that the payslips submitted are for the month before the account was restricted – and I can't see the corresponding payments from the statements. Nor do there appear to be similar payments when the account is unrestricted, which I may expect to see.

From the notes available, the director of M attended the branch repeatedly to resolve the issue or provide identification. While a director will be expected to be involved in resolving issues the business has, I see in this case it will have unnecessarily and repeatedly taken them away from other duties they could have had with M's business. I'm not persuaded though that Barclays should bear the cost of the parking charges the director received. The bank can't reasonably be expected to anticipate how someone will choose to travel to the branch, or where they choose to park.

I've considered what M has asked for in redress – but I'm not persuaded that the amount of £12,000 is reasonable. I've considered that Barclays has already paid £500 to M. I've listened to the call where this was originally offered to M and was declined. This was very clearly offered as resolution for the complaint. I've considered what the director has said about accepting it as a gesture of goodwill – and it has had no bearing on whether M could refer their complaint to our service. I'm minded that the payment is very clearly in relation to the complaint, and M ought reasonably to have been aware of this.

But my role here is to decide what I consider to be fair redress, taking in to account all the facts of the case. I can't ignore that Barclays have paid this sum in relation to this complaint already. And overall, I'm satisfied that this is fair redress – it's along the lines of what I would have awarded for the delay in releasing the restriction and the loss of use of the funds for this period. So, even if M had declined it, or it not been offered at all, £500 would be in line with what I would have awarded. As such, I do not see they need to do anything further.

### **My final decision**

My final decision is that Barclays Bank UK Plc do not need to do anything further. Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 28 June 2024.

Thom Bennett  
**Ombudsman**