

The complaint

Mr C complains that he was locked out of his account with Barclays Bank UK PLC (Barclays).

What happened

Mr C was a new customer of Barclays – he opened his account on 6 May 2023. He registered for Barclays Mobile Banking ('BMB'). On 25 May 2023, he found he couldn't access his account via the Barclays app. This was put right on 12 June 2023.

Mr C complained. He said that during the period of 18 days, his account was blocked. He says he had a high balance of £8,750.86 in the account, which he couldn't access. He couldn't pay bills that needed paying, and he had no idea what his balance was. He didn't get any clear answers from Barclays as to what the problem was, or a resolution. He says he got no help from any of Barclays' channels, including chats on social media, and a visit to a branch. When he visited the branch, he was told the staff couldn't access his account either.

As a result, he suffered significant stress, financial hardship, and it was very inconvenient and disruptive. He couldn't concentrate on his job at a critical time.

Mr C says he feels he was targeted and his account blocked because of his nationality.

Mr C says fair compensation would be £2,100 – being the payday lender interest rate of 0.8% per day, plus wasted time and disruption to his business life.

Barclays apologised for what happened. The bank said the issue can sometimes occur with new accounts and new registrations to BMB. They had sent Mr C a statement on 7 June 2023 to show him his money was secure. He also had the use of his debit card. Barclays said Mr C's access to BMB was restored on 12 June 2023.

Barclays said they would never treat a customer differently because of their country of origin/ethnicity. The issue Mr C faced was a technical error. But the bank said it had taken longer to resolve than they wished – and offered compensation of £500. Barclays said that was their final offer.

Mr C didn't accept that and brought his complaint to us. Our investigator said the offer was fair and reasonable and didn't recommend anymore. He said Mr C had access to other options to manage his account, including ATMs (where he could get a balance and a mini-statement), phone banking and bank statements. So – this reduced the impact on Mr C. He noted there had been a debit card payment for £15. He considered that the branch staff probably did what they could when he visited the branch – but this was a specific technical issue which they wouldn't have come across before.

Mr C didn't agree. He asked that an ombudsman look at his complaint and said:

- Barclays blocked access to his funds for over three weeks.
- The branch staff couldn't check his account or see his balance, and they said it was

‘withheld’.

- Barclays didn’t provide him with updates or a resolution to the problem.
- He couldn’t be expected to access his account through other means – as Barclays hadn’t told him of the other options. (e.g. using debit card, phone banking, ATMs). So his account was effectively blocked.
- He couldn’t perform at work as he wished – he was missing deadlines and meetings because of the disruption.
- He was paid about £150 per day – so the compensation should be £2,000 for 15 working days missed.
- He had support from his partner for essential payments. But that was embarrassing and unnecessary.

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.

I looked at Barclays’ records and notes about what happened here. And these confirm this was a known technical issue – which can affect some new accounts and where a new registration for BMB is made. It has a standard ‘error code’ and method of resolving it. So – this could’ve happened to anyone. So, it’s clear to me that that Mr C wasn’t discriminated against for any reason. And – there’s nothing in the notes on Mr C’s account that suggests this was the case. So – I set that aspect aside.

I looked at the social media chats between Mr C and Barclays – to see how the bank dealt with his problem when he contacted them. He had to use social media because he couldn’t use the app. I can see that on 25 May 2023 – the chat handler told him he could use his debit card, and it could be used to make payments. Mr C responded by saying he couldn’t use it to pay his rent.

She also said he could use online banking or phone banking – albeit in the context of making a complaint. But – the other channels were mentioned to Mr C.

I can also see the chat handler confirmed to Mr C that his salary was in the account.

But – overall, on balance, I consider it would’ve been reasonable for Barclays’ chat handler to have given Mr C clearer and more specific advice as to how he could use other methods of banking and payments. But Mr C was left with no clear information about what he could do.

I wanted to be clear about what channels were affected here. We asked to see Mr C’s log on information. Barclays showed us that:

On BMB, he logged on consistently, most days between 25 May 2023 and 12 June 2023. I asked Barclays more about this – and they explained that while Mr C could log onto the app, the technical issues were such that he still couldn’t see his accounts, or make payments. So

– he was clearly inconvenienced.

On online banking, he logged on on 25 May 2023 – and then not again until 20 June 2023. So - it appears that online banking was also affected. We asked Barclays more about this and they told us that was the case – so Mr C couldn't use online banking either.

We asked Barclays again about what happened in the branch – as Mr C asserts that the staff also couldn't get his balance or see his account. Barclays told us that it may have been that the branch staff weren't trained on the particular technical problem that occurred – as it is rare. And they may have assumed he knew about the alternative ways of accessing his account, rather than volunteering them.

I've then considered what alternatives Mr C had to access his account. And it is the case - he could've used ATMs (to get a balance, access cash or get a mini statement); or simply call Barclays' phone banking – which could've given him a balance, his transactions, and made payments to pay his bills. While Barclays didn't spell these out to him in the chats – I think it's reasonable to have expected Mr C to have known about these alternatives. Or if not, simply look at Barclays' website to find out – where it is shown clearly. Or he could've called Barclays.

So, I'm satisfied there were viable alternatives for Mr C to use, which would've reduced the impact on him.

Barclays have agreed there was an error and offered compensation of £500. I now need to consider whether that is a fair award in the circumstances of this complaint. Our criteria for assessing awards is set out at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

Mr C argues that he should get more compensation, including loss of earnings. He has provided an email from his line manager to say his work was disrupted because of what happened – but that he made up the lost time at his own expense. I've considered this. But as a principle, our service doesn't award compensation for loss of earnings.

Mr C has said his partner paid his urgent bills, including the rent. While I accept this may have been embarrassing for him, it did have the effect of reducing the impact on him.

He has argued he should be paid the equivalent of the interest he would've paid if he borrowed from a pay day lender. But the point here is – he didn't borrow money (or hasn't provided any evidence to show he did, and the cost).

So here, in the circumstances of this complaint, I'm satisfied that Barclays' offer of £500 is in line with our criteria for assessing awards and is fair and reasonable for what happened.
(continued)

My final decision

Barclays Bank UK PLC has already made an offer to pay £500 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 £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 April 2024.

Martin Lord
Ombudsman