

## **The complaint**

A company which I'll call 'M' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on M's behalf by one of their directors, Mr M.

## **What happened**

M held a business current account with Barclays. In 2017, it had provided information about the company to the bank which included the signatories on their account.

M told us:

- In March 2022, they'd received a request from Barclays for further information. They had called the bank to ask what was required and it had no idea what the request was for. So, they had raised a complaint with the bank which had been upheld.
- Then in June 2022, they received a further letter from Barclay saying their account was restricted. They'd complained to the bank, and it agreed it had provided poor service as all information had been received from the company. Barclays also confirmed their account wasn't restricted and if it needed more information, the team would contact them directly. It had paid them £50 compensation for the inconvenience.
- However, in October 2022, they received a further letter from Barclays saying their account was restricted because it needed information and it had been trying to contact them. They hadn't had any contact from the bank, and when they called Barclays to ask about this letter no-one knew what it was about.
- When Mr M spoke to Barclays, he'd been on hold for over an hour and then the call handler asked for information about their other director, Mrs M – but hadn't contacted her directly. The bank also asked questions about the company's figures but couldn't explain which figures it actually wanted.
- They asked for Mrs M to be removed from their banking mandate, but this hadn't been actioned by Barclays as requested.
- They had provided all the information to Barclays that they'd been asked for, but their account was still restricted.

Barclays told us:

- It's Know Your Customer ('KYC') team had initially requested information from M via online banking and written to the company in October 2022 when it hadn't received a response to its requests.

- Its KYC team had contacted Mr M for information about Mrs M because he held all the shares in M and was their active director on the account.
- It accepted its customer service could have been better when Mr M had spoken to it in December 2022, so it had apologised and offered £50 for the inconvenience caused.
- It had needed information about Mrs M because she was still on the mandate when its KYC review had started. It had reviewed its records as far back as 2017 and was satisfied it didn't hold updated information for Mrs M.
- It couldn't remove Mrs M from M's mandate as information had been requested in December 2022 which hadn't been received within the required timescales. M would therefore, need to complete a new request for this.

Our investigator didn't recommend the complaint be upheld. He thought Barclays had acted reasonably in requesting information from M for its KYC review, and it had acted on the information M provided efficiently. He also said that the bank couldn't action the mandate change for Mrs M as requested, as the information M gave didn't match what Barclays held. He noted that Barclays had acknowledged a call with M hadn't been as good as it should have been, however he thought the £50 paid by the bank was enough to put things right.

M didn't agree. They said Barclays didn't hold any details for Mrs M as they'd already asked for her to be removed, and part of the complaint was that the bank was still contacting her about this. They also said that despite the bank upholding their complaint, their account was still restricted, and this hadn't been resolved. So, they asked for an ombudsman to review their complaint.

I issued a provisional decision on 26 February 2024. I said the following:

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 to uphold it in part. I'll explain why.

M says that Barclays has behaved unreasonably as it restricted their account, and kept contacting Mr M instead of Mrs M for outstanding information. But I'm not persuaded that's the case. I say this because Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. Therefore, Barclays may need to check from time to time that the information it holds for its customer is correct. 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. And if the bank doesn't receive the information it needs, it is entitled to take actions with regards to those customers.

I acknowledge that M says it provided all the information needed in 2017, but it's not unreasonable to think that things could have changed within that time period and therefore Barclays would need to check that the information it held was correct. I've seen evidence from the bank that shows it contacted M via online banking banners before it sent out letters requesting information and telling the company that their account was restricted in September 2022 and October 2022. So, I think Barclays decision to restrict M from taking out new products with the bank was reasonable.

Mr M told us that Barclays behaved unreasonably because he'd already provided all the information for M that Barclays requested, and it kept contacting him about Mrs M

– who should already have been removed from M's account. But I don't agree. I've looked at the evidence from the bank and whilst I can see that Mr M sent a request to have Mrs M removed from M's account as a signatory in December 2022, I think it's reasonable that Barclays couldn't action this as Mrs M's (married) name wasn't on the mandate in the first place.

Looking at Barclays records, I can see that on M's account, the signatories were shown as Mr M and Miss X (Mrs M's maiden name). Therefore, the bank needed a mandate change form, which removed Mrs M in her maiden, rather than married name. The forms that M sent were therefore incorrect and couldn't be actioned. I've seen a copy of the December 2022 letter that were sent to M about this, and I'm satisfied that these were clear about how the issue with M's mandate could be resolved.

I recognise that Mr M was unhappy that Barclays kept contacting him instead of Mrs M. And I don't think the bank behaved reasonably here. I recognise that Mr M is M's sole shareholder, as far as the bank's records were concerned, Mrs M didn't have any authority for it to speak to her. However, Barclays told us that in 2020, Mrs M updated the other account details to change her name with the bank. So, although I think it's reasonable that M's signatories wouldn't have been changed as a result of this - as the company would have need to submit a mandate change to do this – in the same way it did to remove Mrs M (albeit in the wrong name) and it didn't receive this request at that time. Barclays did know that Miss X and Mrs M were the same person as it had already received her marriage certificate. So, even if her signature wasn't updated, I think it could have spoken to her about M's accounts as she was still on the mandate at that time. So, I don't think Barclays behaved reasonably here.

M also told us that they are unhappy with the customer service they received from Barclays during this period. I can see that Barclays accepted that on a call with M it could have been better. It has apologised and paid M £50 compensation. However, I'm not persuaded that's enough. I say that because I've seen that throughout 2022, there were significant periods of time where Barclays didn't take any action with M's outstanding KYC request, so I think it's reasonable that Mr M thought any issues had been resolved from the information he'd provided previously.

I've also listened to the calls between Barclays and M from November 2022 onwards and I think the bank could have been clearer about what was required. And after I've listened to the calls, I can understand why Mr M was so frustrated with the bank. Had Barclays provided better service here, I don't think M's directors would have wasted time away from the business making additional calls and filling out the mandate forms incorrectly. I can see that when the bank clearly explained to M what was required in September 2023, this was actioned within a matter of days and their account was unrestricted. Therefore, I think Barclays should pay M a further £200 compensation for the inconvenience caused.

I invited M and Barclays to give me any more evidence and information they wanted me to consider before issuing my final decision. Barclays accepted the decision and had nothing further to add. M accepted my decision, but noted that they didn't think Mrs M's marriage certificate had been provided to the bank and this was the reason she'd been removed from the company's mandate as they thought this would make things quicker and easier.

### **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, as both parties responded to say they accepted the decision and had nothing further to add, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

### **My final decision**

My final decision is that I uphold this complaint. I instruct Barclays Bank UK Plc to pay M a further £200 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 3 April 2024.

Jenny Lomax  
**Ombudsman**