

The complaint

A company, which I will refer to as R, complains that Barclays Bank UK PLC wrongly restricted its access to one of its accounts.

Miss K, who is a director of R, brings this complaint on its behalf.

What happened

In March 2023 Barclays discovered that the Registrar of Companies had given notice that R may be struck off the register, and so it applied restrictions to all of R's accounts. Miss K arranged for the strike-off action to be discontinued, and Barclays agreed to remove all the restrictions it had applied. However, it did not immediately remove all the restrictions on R's euro account – and so Miss K was unable to use online banking to make payments using that account.

Barclays later explained that although it started the process to remove the freeze on R's euro account on 27 March 2023, a bank error meant that process was not completed until 3 July 2023. In the meantime, Miss K had to call its International Payments team to make transfers and payments.

After discussion with one of our investigators, Barclays offered to pay R £500 in compensation for the inconvenience its error had caused. Our investigator thought that offer was fair, but Miss K did not. She provided a large number of documents in support of R's claim for financial loss, but our investigator was not persuaded that her evidence showed that Barclays' error had caused R to lose money. The matter was therefore referred 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.

Having done so, there is very little I can add to what our investigator has already said. I am sorry to further disappoint Miss K, but having carefully read all the documents she has provided I am not satisfied that R suffered a financial loss because of Barclays' error. The evidence does show that R made some of its payments late, but I don't think it shows that Barclays' error was the cause of those late payments.

I entirely accept that Barclays made a serious mistake. But this type of mistake by a bank does not automatically lead to a financial loss for its customer. Here, I haven't seen anything to show that Barclay's error meant Miss K was completely unable to make payments from R's euro account. She could not use online banking to make payments, and had to make phone calls instead – and it is right that Barclays compensate R for the inconvenience associated with that – but I am not satisfied that the bank's mistake prevented her from making payments to R's suppliers.

Putting things right

Whilst I have not seen sufficient evidence to persuade me that Barclays' error caused R to suffer a financial loss, it is clear that it did suffer considerable inconvenience for over two months. Miss K had no online access to R's euro account, which meant that in addition to her difficulty in making payments she could not immediately see whether R's clients had transferred funds as they should have done. Miss K also explained that she spent hours on the phone trying to resolve the matter.

Taking all the evidence into account, and applying my own judgement, I consider that a payment of £500 represents fair compensation for the inconvenience R has suffered as a result of Barclays' mistake.

I recognise that Miss K is unlikely to feel that £500 is fair. As I say, I am sorry to further disappoint her. I do want to stress that the award I am making here is for R's inconvenience, and not for her personal distress. The complainant in this case R, and corporate bodies like R are not capable of feeling distressed. Miss K will understandably have been very distressed by this issue – particularly when it was not clear whether she would ever have full access to R's account – but as she is not the complainant I have no power to make an award to her personally.

My final decision

My final decision is that I order Barclays Bank UK PLC to pay R £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 25 April 2024.

Laura Colman
Ombudsman