

The complaint

Mrs C complains that Barclays Bank UK PLC blocked payments from her account and blocked her from trying to withdraw cash.

What happened

In February 2023 Mrs C made a transfer online. It was checked for possible fraud by Barclays and she was asked questions regarding the payment. Following this she wanted to go to the bank and withdraw a large sum in cash. She was told this would be possible but not for the full amount. However when she got to the branch she couldn't withdraw the cash over the counter and when she attempted to withdraw it from the cash machine the payment was blocked. There was a payment alert on her account. The branch staff got in touch with Barclays' fraud team and Mrs C was asked questions about what she wanted the cash for. The team was unfortunately not satisfied with her answers and she was unable to make the withdrawal.

After that Mrs C found out that the online payment she had attempted to make had been declined again for a fraud check. She was asked questions about what the payment was for but she declined to answer. She also attempted to make a payment in respect of her credit card but that again was blocked.

Mrs C went into the branch in March 2023 with full evidence of her identity. Her account was unblocked and the online payment was accepted as genuine (although I understand that she has paid that by other means). She decided to close her account with Barclays and it carried out the transfer of funds for her which took a few days.

Barclays paid Mrs C £50 for the inconvenience caused to her, but it explained that it had to comply with banking regulations to protect customers from frauds and scams.

On referral to the Financial Ombudsman Service, our Investigator said that she did not feel in this particular case that Barclays had acted unfairly.

Mrs C didn't agree and said that though she was happy with the actions of the branch staff she felt that the fraud team had bullied and coerced her. She also pointed out that she wasn't told of the blocks on her payments. She's advised us that she's not interested in compensation but wants a full apology from Barclays.

The matter has been referred to me for an Ombudsman's consideration.

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.

First of all, I can understand Mrs C's frustrations and her feelings that this was her money and she could do with it what she wanted. I also understand that she herself feels that she knows about scams and would not fall victim to one.

However from Barclays' point of view it has to comply with banking regulations and with the Banking Protocol. I don't know why Mrs C's initial attempt at making a payment was flagged as a possible fraud. If the payment is out of character or is for a large amount or particularly is to a new payee, those are all possible indications that further questions might need to be asked to verify the payment.

As for Mrs C wanting to withdraw a large amount of cash, again that is something which the bank might flag as requiring further questions. And I know that Mrs C feels that she answered the questions as honestly as she could.

The fraud team at the bank has a different function from the branch staff which is why I think she found the branch staff to be helpful but not the fraud team. I can't regrettably say that in Mrs C's case she shouldn't have been questioned about her payments/withdrawal. The fraud team had to assess whether Mrs C was making a payment to a genuine payee and/or whether she had genuine reasons for wanting to withdraw such a large amount of cash. I understand that when she was questioned about this, she refused to answer what it was for. In those circumstances I think that Barclays acted reasonably in asking her to come into the branch and produce her ID documents. The problem with banks trying to detect possible frauds or scams is that genuine customers like Mrs C trying to carry out genuine transactions are inconvenienced.

I understand that Mrs C says she wasn't told that her payment had been blocked. All I can say is that Barclays' notes indicate that the fraud team attempted to contact Mrs C but was unsuccessful.

Mrs C has queried why the online payment she attempted to make doesn't show as a debit and subsequent credit on her account. I think she'll need to ask Barclays that question directly.

In respect of Mrs C's problems with her credit card statements I would suggest that she takes this up directly with the credit card provider. I know that is also Barclays but it is a different issue from this complaint, and would need to be raised directly with it.

So I won't ask Barclays to take any further action.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 18 April 2024.

Ray Lawley
Ombudsman