

## The complaint

Mr B complains that Barclays Bank UK PLC has failed to transfer the monies in his children's savings accounts to his new bank following his closure of his current account with Barclays.

## What happened

In April 2023, Barclays carried out a KYC (know your customer) on Mr B's account. However Mr B wasn't prepared to give all the information Barclays requested and as a result he was sent a 62 days' Notice to Close letter on 17 April. He switched his account to another bank within the notice period, but says it wasn't made clear that his four children's accounts would also be closed. It took him some time to set up the accounts with his new bank but when he went into a branch of Barclays to enquire about transferring them, he was told that the accounts had been closed and he would have to make a dormancy claim.

He put in the dormancy claim and some days later enquired about it and was told that no application had been filed. He resubmitted the application and was then told by Barclays that there were no dormant funds. He made a complaint to which Barclays responded and said that he had been given the wrong advice, the funds in the former accounts were available and could be released to him if he visited the branch with ID.

Mr B made several visits to the branch and complained to Barclays about the following issues:

- He was told on multiple occasions that he could go into branch with two forms of ID, and he would be able to access the funds which were now in a sundry account and have them transferred elsewhere.
- He also raised dormancy claims on Barclays' incorrect advice which were unsuccessful.
- He was issued with banker's drafts for the balance in each child savings account as well as money that was paid to his current account after it closed. These drafts bounced after they were deposited.
- He was told by a manager in branch that the offshore team would be able to transfer the money for him which he later found out was not possible and was told that this information was incorrect.
- He has since raised several complaints about the service and has had more than one complaint response explaining to him ways in which to access the funds which have not been successful. He has still not been paid the balance of the accounts.

Barclays offered £200 compensation.

Our Investigator said that Barclays should:

- Pay Mr B £750 compensation.

- Pay Mr B the balance of the savings accounts, £163,191.52 plus 1.65% interest.
- If not previously settled, pay Mr B the balance of his current account added to unapplied credits along with any interest owed.

Barclays accepted the proposed resolution.

Mr B did not agree. He proposed that the compensation be increased to £2,250. He explained that he had calculated this using an hourly rate for his time spent. He also proposed that the interest be increased on the basis that for the time it has taken the matter to be resolved he could have been paid interest of 4.65% on a fixed rate account.

The matter has been passed 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.

Our Investigator has set out the timeline of Mr B's visits to the bank and his attempts to retrieve the funds held in his children's savings accounts in her view. I will just summarise that here.

The child savings accounts were closed between 22 June and 5 July 2023 and the balances transferred to an internal account. There were also some post closure credits to Mr B's former current account totalling £1,776, and this was moved to an internal account between the 3 August and 9 September 2023.

On 6 September 2023 Mr B made a dormancy claim (on Barclays' advice). Subsequently a letter was sent to him stating that there was no balance relating to a dormant account. He was then told the claim was closed.

On 3 November 2023 Barclays issued five banker's drafts. An error in the amount stated in the final response as paid to Mr B's current account was identified. In the final response it was stated that the amount paid to his current account was £3,168 however this was an error later corrected to £1,776. Mr B was unhappy about this. He was also unhappy that Barclays didn't propose to pay him any outstanding interest.

When he collected the drafts, and tried to deposit them, all five bounced. I understand this may have been a fraud block by Mr B's new bank.

I think undoubtedly Mr B has been caused a lot of difficulties in trying to retrieve the monies from Barclays which were in his child savings accounts. Whilst I accept that Barclays was entitled to close his accounts, the letter setting this out was generic and didn't specifically refer to child savings accounts.

I further think that Mr B was caused difficulties, because Barclays wrongly advised him that the monies had been transferred to a dormant fund when this was not accurate. Whilst Mr B did not help himself when he contacted Barclays by phone and refused to answer security questions, he later apologised for this.

I'm not clear why the subsequent drafts "bounced" but this looks like an action taken by the receiving bank. I do think that Barclays could have offered to help with getting the drafts cleared. Also the switching process is done by straightforward transfer of monies. So I think that unnecessary obstacles were put in Mr B's way by Barclays' insistence on issuing drafts.

I recognise that a transfer of all the funds in one lump sum to Mr B's new bank account would have been more straightforward, though I also recognise that Mr B was concerned about the tax implications of this.

In respect of compensation, as our Investigator has explained, we don't usually make a specific award for someone's time, or calculate it using a set amount. I have factored in the inconvenience caused to Mr B in respect of his time in dealing with the matter.

I've noted that Mr B has calculated his proposal for compensation using his professional hourly rate. We don't usually make awards in those terms. This was something Mr B did in his personal capacity and in this case I don't think reasonable to make an award using his professional rate.

Whilst we don't make awards on a scale, we do consider that an award of up to around £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. I think this applies in Mr B's case so an award of £750 is in my view fair and reasonable.

As regards interest, in essence we try to put the consumer back into the position that they would have been had the matter been resolved properly. Here Mr B has told us that he has opened child savings accounts which pay a rate of 1.65%. So I think it appropriate that Barclays pay that amount, and it must calculate the interest up until the date it transfers the money.

I've noted that Mr B previously asked for the money to be paid in separate amounts to reflect the four children's accounts, and if he still wants Barclays to do that he should have that option. So if he accepts this decision he should advise Barclays how he wants to receive the money.

Lastly, I understand that Mr B recently advised our Investigator of another outstanding credit which has been paid to his former current or business account. I should make it clear that Mr B should liaise with Barclays in the way our Investigator has advised. That sum does not form part of this decision.

### **Putting things right**

Barclays should:

- Pay Mr B £750 compensation including any previous offers of compensation.
- Pay Mr B the full balance of the savings accounts, as previously advised plus 1.65% interest\* from the date the accounts were closed until the date the monies are transferred. At Mr B's option Barclays should either transfer the monies to the four separate savings accounts Mr B has opened or transfer them as one lump sum to Mr B.
- If not previously settled, pay Mr B the balance of his current account added to unapplied credits along with any interest owed.

\*HM Revenue & Customs may require Barclays to deduct tax from any award of interest. It must give Mr B a certificate showing how much tax has been taken off if he asks for one.

### **My final decision**

I uphold the complaint and require Barclays Bank UK PLC to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 29 May 2024.

Ray Lawley  
**Ombudsman**