

The complaint

A charity which I'll call 'F' complains that Barclays Bank UK Plc didn't open an account when requested, which prevented the charity receiving income.

The complaint is brought on F's behalf by their chief executive, Mr M. So, to make things easier there will be times I'll refer to Mr M in the decision as he was the person corresponding with Barclays on the charities behalf.

What happened

F, was an unincorporated charity, and it held a community account with Barclays. In January 2021, F became an incorporated charity. In February 2021, Mr M was told by the bank he needed to open a business current account due to F's change of status to a registered charity, as the community account wasn't suitable. So, Mr M booked an online appointment with Barclays to discuss an account, but the bank didn't attend as agreed.

Mr M continued to try and open a business account with Barclays. However, the bank said it wasn't able to open this type of account without an in-person appointment, and due to Covid-19 restrictions it wasn't currently offering in-person appointments. Barclays also said Mr M was unlikely to get an appointment until around August 2021.

So, Mr M complained to Barclays in May 2021. He said that other banks were opening business accounts remotely and Barclays had misled him by implying that business accounts couldn't be opened by any bank – rather than it being just Barclays' decision to open these accounts in person – which it couldn't do. Barclays didn't uphold the complaint and said it had correctly told Mr M that it couldn't offer in-person appointments and it couldn't open the account F needed without one.

In October 2021, Mr M had an in-person appointment, however the staff member didn't know how to open a business account (for a charity), and said they would take all the information and follow up accordingly. This didn't happen, so in January 2022, Mr M contacted Barclays via its online chat, but this was no help.

In May and June 2022, Mr M contacted Barclays again as it still hadn't opened the business account. On 13 June 2022, the bank said its process had now changed, and F could open a business account online. So, Mr M submitted the application for F on 27 June 2022. Mr M didn't hear anything further from Barclays until August 2022 when it said there was an account opening freeze, so he made a complaint.

In September 2022, Barclays upheld the complaint and offered £200 compensation. It said Mr M had been given incorrect information and F didn't need a new account, just for the previous account (in F's unincorporated name, prior to their registration as a charity) to be changed to a business account. So, the bank assigned a Relationship Manager ('RM') to assist F. However, the RM said there was still a freeze on account opening which would remain in place until October 2022. Mr M contacted Barclays again in December 2022, but the bank said it still wasn't opening new accounts or converting existing accounts which required branch appointments at that time.

The RM didn't contact Mr M as expected, so in April 2023 the charity contacted Barclays again. The bank said it would look into the information required regarding F's trustees but asked for more information to be provided. F provided this shortly after however they didn't hear back from the bank. Mr M chased Barclays again in May and June 2023, when the bank responded to say that as it hadn't heard from F, it didn't think they wanted to proceed. Eventually in November 2023, F decided to open an account with another bank. However, they said that due to Barclays delay in opening an account, F had lost hundreds of thousands of pounds of funding. Mr M believes Barclays should refund F for the income they've lost. Mr M also wanted compensation for the distress and inconvenience he'd suffered personally.

Our investigator recommended the complaint be upheld. She thought that Barclays hadn't given F the service they should have received over the last couple of years. She said in summary that Barclays hadn't kept appointments with Mr M, hadn't contacted the charity when it had said it would, had given wrong information about the account the charity needed to open, and hadn't followed-up with the charity to assist with opening an account – despite being aware of the impact this had on F and Mr M. So, she thought Barclays should increase its compensation payment by a further £500. However, she thought F could have mitigated its own losses by opening an account elsewhere during this time. The investigator also said that she couldn't quantify the consequential loss that Mr F said F had incurred as this was a speculative loss, nor could she make an award personally to Mr M as this was F's complaint not his.

Neither party agreed with the investigator's opinion. Barclays said that F could have opened an account elsewhere and thought the £200 compensation it paid the charity was fair. Mr M on behalf of F disagreed and asked for an ombudsman to review their complaint. The charity said in summary that:

- The DISP rules applied by this service were flawed and needed changing to take into account all types of impact, such as the impact on Mr M personally.
- The impact on F not having an account hadn't been considered, such as the lack of funding and not being able to pay Mr M a salary.
- They couldn't prove their financial loss as they hadn't been able to open an account which would have shown the losses over the last three years. They had based their losses on around £34,800 per year which was the average income of all the charities registered on or after January 2021.
- The investigator said she couldn't hold Barclays solely responsible for the charity's losses, which meant that losses had taken place and the bank were in part responsible – yet she hadn't made an award for this.
- The investigator hadn't taken into account F's reasons for not opening an account elsewhere which included Mr M's personal circumstances and Barclays' repeated promise to open their account.
- The investigator's opinion used information against F to support Barclays.

I issued a provisional decision on 29 February 2024. In summary, my provisional decision was as follows:

- The Financial Ombudsman Service cannot consider F's complaint about any delays which occurred on or before 10 May 2021. That is because Barclays issued a final response to that complaint on 10 May 2021, F didn't refer its complaint to us within six months of that date, and there were no exceptional circumstances preventing an earlier referral.
- We can consider F's complaint about delays from 10 May 2021. Barclays should pay F an additional £500 to compensate it for the inconvenience caused by its delays and poor customer service.
- It would not be fair for me to make an award for any financial loss F suffered because it did not have an account. F could have mitigated their losses by attempting to open an account elsewhere.

I gave F and Barclays the chance to give me any more evidence and information they wanted me to consider before issuing my final decision. Barclays still thought the £200 it already paid was fair. However, it accepted the provisional decision and said it had nothing further to add. Mr M didn't accept the decision. He said in summary:

- The provisional decision contained many errors, incorrect statements, and purely speculative assumptions – such as the dates of correspondence and that Barclays had in fact accepted our investigator's opinion to increase the compensation payment to £700.
- He wanted to know where I had found the information that Barclays said F was aware they could open an account elsewhere, as he didn't agree. He said that Barclays didn't tell him to go elsewhere and continually said it would open F's account. He didn't agree that it was only in April 2023 that Barclays said they would open F's account, the bank's own FRL in September 2022 said that its actions had *"caused significant impact on [F's] funding-raising activities"*
- He said the provisional decision was placing the blame on F, rather than Barclays and was biased. Ultimately, Barclays is a bank, F asked to open an account, the bank said it would open an account from early 2021 and didn't do so for three years. The bank could have said to F to open an account elsewhere.
- It's not reasonable that I haven't commented on every point that he raised, this is unprofessional and surely, I should be duty bound to do so. However, this didn't include the wrong information from Barclays which had been dealt with by the FRL in May 2021. He hadn't raised this as part of his complaint to this service in June 2022, and so I was wrong to say that this aspect of F's complaint had been referred too late.
- The decision isn't just about the account opening delay, but also the impact the delay has had on F. It's clear that F has suffered a financial loss, but I've held F solely responsible for this. Going to another bank may not have mitigated the loss as they may not have been able to open an account, as their current struggle to open one with another bank shows. It's also unreasonable to expect Mr M as the CEO or other trustees to chase the bank as they all have other responsibilities.
- Why was the evidence for consequential losses not sufficient, and why was there no information given for what F should provide for this proof. Waiting until the investigator's opinion was delivered to say what he'd provided wasn't enough, was unacceptable and created false hope.

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.

Firstly, I want to thank Mr M for his response to my provisional decision. I recognise that the format of my provisional decision may cause frustration to Mr M because it is only a summary of what happened, rather than a full chronology of events. However, the informal nature of our service allows me to do this. I don't have to respond to every point that Mr M has made – even if Mr M wants me to.

My role is to make a decision on what is, in my opinion, the crux of the complaint - which in this case is that F believes Barclays didn't open an account when F wanted or needed them to, and they believe the bank should cover the losses incurred as a result of this. I'm satisfied that is what I have done within my decision. I apologise for my error in saying F contacted Barclays in January 2021 rather than January 2022, but that doesn't change the outcome to my findings.

I also acknowledge that Mr M feels there are contradictions and assumptions within the provisional decision. However, Mr M has brought F's complaint to us about events that have happened over a lengthy period of time and with multiple complaint responses from Barclays. Therefore, when referencing the different complaints within the provisional decision, there will be some conflicting information as my findings are not the same for the different complaints raised by F, or indeed for all the points raised within those complaints.

There were also some phrases in my provisional decision which I understand may have caused Mr M frustration, and I will do my best to clarify about those and respond clearly.

Barclays didn't agree with our investigators opinion to increase the compensation to £700, and Barclays still didn't think this was reasonable in response to my provisional decision. It has, nevertheless accepted the recommendation.

Mr M says that Barclays should have been clearer that it couldn't open F's account, and done more. However, I don't think Mr M's expectation of the bank is reasonable. Barclays told F that it couldn't open the account they needed from early 2021 as the charity needed a branch appointment to do this, which wasn't an option at that time due the Covid pandemic. Mr M's secure message to the bank on 6 May 2021 then says he is aware that other banks are opening accounts over the phone. This is why I'm satisfied that Mr M was aware that other banks' account opening procedures were different to Barclays'.

I've seen that Mr M asked Barclays around that time whether he should look to open an account elsewhere, and the bank said he should do what was right for the charity, and that it couldn't tell Mr M what to do. So, I'm satisfied that Barclays was clear that it couldn't do what F wanted regarding the account opening at that point. Nor was it able to tell Mr M explicitly to open an account elsewhere as it wasn't within the bank's remit to do.

Mr M says that Barclays told him that it would open an account for F over the three-year period. But I haven't seen any evidence that's the case. As I have explained in my provisional decision, I have seen that there were discussions throughout that period through various ways, and I agree that Barclays was aware that F wanted to open an account. However, there were periods of inactivity on F's side where Mr M also didn't contact the bank, and it wasn't until April 2023 (after Mr M escalated his complaint within Barclays) there was any suggestion that the bank *would* open the account. For the period prior to this, I'm satisfied that Barclays simply updated Mr M on the current process for account opening at that time.

I recognise Mr M says it's unfair that I haven't awarded F for any consequential losses, both because he feels F is being held responsible, and because I haven't accepted the evidence that's been provided. However, in all complaints considered by our service, we would reasonably expect the complainant to mitigate their losses where they can. In this case, F knew they could try and open an account elsewhere and may have been able to generate income and do the events sooner. It's not fair or reasonable to expect Barclays to cover losses that F could have prevented had they taken action to do so.

I acknowledge that F may not have been able to open an account elsewhere, and I have considered Mr M's comments about his difficulty in trying to do so. But that doesn't mean it would be fair for me to award the losses F claims. There is no guarantee that Barclays would have chosen to open F's account when they applied, simply because they'd held an account previously. It is possible that even if Barclays had made no error, F would still have been unable to open an account (with Barclays or with any other bank). I am not satisfied that the losses Mr M claims, are a consequence of Barclays' error.

Mr M also says that it's clear that F has suffered a financial loss, but I can't fairly say that's the case. F has shown evidence that other charities have been able to access grants, and that they have been successful in fund raising activities. And that may well be true for F, however, there is no evidence for the charity to support this. The charity hasn't provided any historic information for me to consider, or agreements that grants or funds would have been guaranteed if they had a bank account, and the evidence they have provided isn't on a like for like basis. I can't simply accept that what other charities have earned is what F would receive. I understand that Mr M feels frustrated by this and is unhappy that we haven't said what evidence would support any loss. However, our service is here to independently review all the information provided to us by both parties, not to influence them on what may or may not support their case this could mean we stop being impartial if we do this.

Mr M feels that I haven't considered the bank's actions fairly, and is unhappy with the increase of £500 compensation – bringing the total to £700. In terms of the overall award, as I have explained in my provisional decision, I can only consider the impact to F as a result of their complaint and therefore my award is based on the times where I think Barclays could've done things better from May 2021 onwards. However, I do have to also consider the periods where F didn't contact the bank either. And whilst I acknowledge Mr M's explanation about this, I also can't fairly hold Barclays responsible for delays or inconvenience to F that it didn't cause – especially because there were other trustees that could have contacted the bank on F's behalf – it didn't have to be Mr M each time.

So, whilst I have considered Mr M's comments in response to my provisional decision, my decision remains the same, and Barclays should pay F an additional £500 compensation for the inconvenience caused.

My final decision

My final decision is as follows:

- The Financial Ombudsman Service cannot consider F's complaint about misleading information Barclays provided before 10 May 2021, because that part of F's complaint to us was referred to us too late.
- I uphold the remainder of F's complaint in part. I instruct Barclays Bank UK Plc to pay F a further £500 compensation for the inconvenience caused (a total of £700), but I am not making an award for financial loss.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M on behalf of F to accept or reject my decision before 22 April 2024.

Jenny Lomax
Ombudsman