

## **The complaint**

Mr P1 complains on behalf of his father Mr P2, the sole proprietor of M, a business, that Barclays Bank UK PLC, having told him that all banking was free for the first twelve months of his account, charged a substantial fee for depositing cash.

## **What happened**

Mr P1 contacted Barclays in January 2023 enquiring about switching his father's business account to Barclays. Some discussions took place about fees, in the course of which the adviser advised about a fee of £1.50 per £100 for cash deposits. It was confirmed that there would be no monthly fee for the 1st 12 months as long as the customer did not already have an account with Barclays. He subsequently contacted Barclays again advising that though he had a business account with Barclays, his father did not and he was the sole proprietor of M. Barclays confirmed that the "free" banking period would still apply.

In May 2023 Mr P1 applied online to switch M's account to Barclays. Subsequently in June 2023 he made a substantial cash deposit into the account over the counter. He was then notified of the charges for making that deposit which amounted to £1.20 per £100 deposited. Total fees charged were over £3,000.

Mr P1 subsequently made a complaint to Barclays, saying that he'd been told that there would be no charges on the account for twelve months. It advised him that on opening the account Mr P2 would have received a welcome letter which explained what services are free and what ones incur a fee. The letter also explained that he should visit the website to see a full breakdown of all fees involved. It did say however that Mr P1 was misadvised by its adviser about the pricing on some of the services of the account. It offered £150 compensation.

On referral to the Financial Ombudsman Service, our Investigator said that Barclays' advisers and its welcome documentation made clear what the fees would be. So she didn't think that Barclays had done anything wrong.

Mr P1 did not agree and advised that he did not recollect discussing the fees with Barclays' advisers and that no documentation had been received from Barclays. He said if he'd known about the fees he wouldn't have switched the account to Barclays.

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.

I've carefully considered the transcripts and the call recordings of the two calls Mr P1 made to Barclays in January 2023. In the first call, there was some discussion about banking charges. Mr P1 mentioned having banked £9,000 cash and also £30,000 cash, although said that the latter deposit was a rare event. Payment plans were discussed – for the "mixed

payment” plan the adviser said that there would be a fee of £0.90 per £100 cash deposited, or for the “e-payment” plan, £1.50 per £100 deposited. Later in the phone call Mr P1 said that he would be opting for the e-payment plan because of the number of direct debits coming out of the account. The adviser responded *“Okay, It just means to bear in mind that when you're paying in cash to try and avoid banking the cash, it'll be £1.50 per £100.”*

In the subsequent telephone call in January 2023, Mr P1 confirmed his understanding that there would be no charge for electronic banking. The adviser confirmed that the “free” banking period would apply as Mr P2 was a new customer. No other fees or charges were discussed in this call.

I've noted that the account was opened online several months later. A welcome letter was sent to Mr P2 setting out what standard charges would apply but also advising that full details of the charges were available on the website. Whilst I understand that it is denied that such a letter was received, I've seen a copy of it and there was no reason for Barclays to suppose that it wouldn't have been received.

So I think that Mr P1, acting on behalf of his father, was clearly advised that the fees would be charged for cash deposits and he clearly gave the impression that he would not be looking to deposit very large amounts of cash. And I think that Mr P1 had clearly opted for the payment plan which charged more for cash deposits. The adviser gave the wrong figure in respect of the fees for a cash deposit but as this was higher than the amount eventually charged, I don't think that this would have had any effect on Mr P's decision to open the account.

I have considered whether the adviser should have set out what all the fees would be, Mr P1 is clearly someone used to running businesses so if he'd wanted any further information he could have asked for it. I further don't think that the in branch cashier needed to advise about the cost of depositing cash over the counter.

Barclays has already made an offer to pay £150 to settle the complaint. Mr P2 should contact Barclays directly if he now wishes to accept this.

### **My final decision**

I don't think Barclays Bank UK PLC needs to do anything to settle the complaint.

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

Ray Lawley  
**Ombudsman**