

The complaint

Mr B complains as a director of I, a company, that Barclays Bank UK PLC delayed in removing one employee and replacing two others from its banking mandate.

What happened

In July 2023, Mr B contacted Barclays in order to have one employee removed and replaced with two other employees on I's banking mandate. Barclays sent electronic forms to Mr B for signature. Its mandate team reviewed the matter and saw the forms had been signed but not completed and returned. However it failed to contact Mr B to tell him.

Mr B contacted Barclays again in early September. Barclays took immediate action to remove the employee. However it explained that it couldn't add the other two employees to the mandate until they provided the necessary ID documents. One of the employees provided the documents and their name was added in November 2023. As far as I'm aware the other employee has yet to provide their documents and Barclays can't add them to the mandate until it receives them.

Mr B contacted Barclays to make a complaint and had difficulty getting through to the right number. He didn't receive a final response to his complaint so he referred it to the Financial Ombudsman Service.

Barclays responded that it had failed to notify Mr B about the missing information and agreed that he had had difficulties in lodging his complaint. It offered £200 compensation.

Mr B rejected this and said that he wanted to know what Barclays had done to prevent this happening in the future. He also pointed out that the former employee had had access to the account for two months and could have fraudulently taken money out of the account.

Our Investigator responded that, as no fraudulent activity had taken place we would not award compensation for a hypothetical situation. He also advised that our function is to resolve complaints, not to take action to change businesses' processes.

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 should say first of all that the complainant is a limited company. Mr B complains as a director of the company. As such a company can't suffer distress so we can't make an award for distress. I can however make an award for inconvenience caused to the company through its director.

The position in this case is that Barclays should have advised Mr B, when its mandate team reviewed his request, that the necessary forms needed to be completed and returned. It didn't do that for two months, leaving Mr B to chase Barclays up.

Also, Mr B had problems in lodging his complaint. He says the number on Barclays' letter was the wrong number to contact it about his complaint. Barclays' online information about its contact numbers does appear to show different numbers.

Barclays did carry out the request to remove the employee. It has added one employee and will add the other one when they provide their ID documents. I think that's reasonable.

As regards Mr B's concern that the employee might have fraudulently accessed the account, as our Investigator has advised, we won't award compensation for what might have happened. I understand that no such fraudulent activity has taken place. And, as I've said, I can't award compensation for distress where a limited company is the complainant.

I should also reiterate to Mr B that our function is to resolve individual complaints. And I think Barclays has made a reasonable offer to resolve this complaint, of £200 compensation. But I don't have any power to make Barclays change its processes, although I understand that feedback has been given to the mandate team.

Lastly I understand that Mr B has requested a final response letter from Barclays. As he made his complaint to this service before receiving such a letter and we commenced an investigation, Barclays does not need to provide such a letter. If he wants to see Barclays' response to this service, he can ask our Investigator for a copy.

My final decision

Barclays has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Barclays Bank UK PLC should pay I £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 24 May 2024.

Ray Lawley
Ombudsman