

The complaint

K, a limited company, complains that Barclays Bank UK PLC didn't provide it with sufficient help in switching its account.

What happened

K had asked a different financial business (which I'll anonymise here as the 'new bank') to switch its account from Barclays. The switch failed on 27 July 2023 and the new bank told K to contact Barclays to deal with this. But K says that Barclays told it to contact the new bank. K says it now has two accounts and this is costly and making it difficult to manage its business.

Barclays issued a final response to K's complaint and said it hadn't made a mistake. It said that it had rejected the switch due to a difference in information between the accounts. And that K would need to contact the new bank to submit a new switch with details that matched. But it acknowledged that it had provided poor service to K and offered to pay £100 in compensation.

Our investigator said that the reason the switch hadn't been processed was due to the mismatch of information about K. That wasn't due to a mistake by Barclays. And it was up to the new bank to make a switch request when the information matched. But Barclays had acknowledged it provided poor service and communication about this and he thought that its offer to pay £100 in compensation was fair.

K didn't agree and wanted its complaint to be reviewed. K said it wasn't clear how the compensation had been calculated. The issue now was that it had two accounts and credits and direct debits were still going through the old bank account. K wanted this to be resolved and said that it had problems dealing with both banks and there was no clear point of contact. K didn't think that the complaint had been resolved and wanted this to be considered by an ombudsman.

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 can appreciate K's position that the new bank told it to contact Barclays and that when it did so it was referred back to the new bank. And that it didn't receive a clear explanation of how the problem with the switch could be dealt with.

In its complaint form to this service K states that it was told by Barclays that the differences in information related to the mandate, the address and the registration number. And I don't think it was unreasonable for Barclays to reject the switch as a result. There were two options for the information to be matched – either it had to be changed at Barclays or at the new bank. And the new bank and Barclays each said that the other should arrange this. But the point is that the information at each had to come from K, and it was fairly a matter for K to update the information at either bank, as necessary.

I agree that Barclays was then right to say that it would be up to the new bank to resubmit the switch request. I'm afraid that this remains the process K would need to follow to complete the switch and so in that way deal with its regular payments and credits from the Barclays account.

I take into account what K says about the service received. And that it wasn't clear what was required when it explains that a second switch was attempted. But that the fundamental reason for the failure of the switch wasn't due to a mistake by Barclays. I consider that the amount already offered in compensation for poor service and communication is fair and I won't be asking it to do more than this.

My final decision

Barclays has made an offer to pay K £100 to settle the complaint. I consider this to be fair in the circumstances and so I require Barclays Bank UK PLC to pay K £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 5 July 2024.

Michael Crewe
Ombudsman