

The complaint

Mr K complains that Barclays Bank UK PLC trading as Barclaycard failed to apply a monthly discount for holding two Avios products. He's also unhappy about issues he's experienced using his online account and his banking app following the merger of his accounts.

What happened

Mr K held two Avios products, one with Barclaycard and one with Barclays. Customers are charged a £5 monthly subscription fee to hold an Avios account. By holding two accounts, customers are charged twice but receive a £5 monthly discount.

Mr K complained to Barclaycard because he wasn't receiving his £5 monthly discount. His initial complaint in May 2023 was resolved by the payment of compensation of £60 to reflect the missing discount.

Mr K found that the problem persisted and asked for his complaint to be re-opened in August 2023. He asked Barclaycard to find a permanent solution to the missing discount.

Barclaycard paid further compensation of £95 in respect of the missing discount. It advised Mr K that the way to resolve the issue was to merge the two accounts. This resolved the issue of the missing discount but following the merger of the accounts, Mr K found that he had lost access to the accounts both via the mobile app and online.

Mr K complained to Barclaycard. Barclaycard issued a final response on 2 November 2023 and advised Mr K that it wasn't able to override the Know Your Customer issue and that it would be necessary for Mr K to visit a branch with identification documents.

Mr K remained unhappy and brought his complaint to this service. He said he'd gained online and mobile access in late November 2023 but felt that further compensation was due because he'd been asked to provide identification and verification of address documents despite the fact that he's provided these documents to Barclays when he began his relationship with the bank. Mr K said he had lost confidence in the bank's ability to store his personal data. Mr K also said that the inability to access his account had caused severe disruption to his daily life, as he had been unable to complete any payments or review activity on his account. He said he'd had to take time off work to visit his branch each time he wanted to access his account. He also said he'd spent a lot of time on the phone trying to resolve matters with Barclaycard's complaints department.

Following the referral of the complaint to this service, Barclaycard said it wanted to offer Mr K more compensation for causing the issues with the online access to his account. It said it recognised that this had caused him inconvenience and offered a further £150 in addition to the amounts already paid.

Mr K declined the offer.

Our investigator said the offer was fair and didn't uphold the complaint. He said the further compensation offered was sufficient to compensate Mr K for the inconvenience of having to

visit his branch. He also said that he didn't agree that it was a breach of GDPR for Barclaycard to ask for updated ID verification.

Mr K didn't agree. He said he'd been prevented from accessing his bank account for three months and he didn't agree that this had anything to do with providing ID in branch. Mr K said he still believed that there had been a breach of GDPR because Barclaycard hadn't explained what had happened to his previous documents.

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.

Barclaycard has acknowledged that the merger of the two accounts caused issues for Mr K with his online access. This meant that for a period of time, he had to visit a branch in order to access his account. Mr K has said that this situation went on for three months before his online access was restored.

I can see that Barclaycard advised Mr K that in order to restore his online access he would need to visit a branch with identification and verification of address documents. This was because of the Know Your Customer requirements which are part of the bank's policy and processes.

This service can't ask Barclaycard to change its policies or processes. But I am able to look at whether Barclaycard has acted fairly and reasonably in response to Mr K's complaint.

I've thought about the level of distress and inconvenience caused to Mr K as a result of being unable to access his account until he'd completed the identification and verification process in branch. It's unfortunate that the issues with Mr K's online access coincided with him starting a new job. Having considered the impact on Mr K, I'm of the view that the further compensation of £150 offered by Barclaycard is fair and reasonable and in line with what this service would award.

I appreciate that Mr K has concerns about why he was asked to provide identification and verification when he had already provided this when he opened the account. He's raised the question of what the bank has done with the information he supplied previously. I can see that Barclaycard required updated identification and verification details from Mr K as part of the Know Your Customer policy. I appreciate that Mr K says he'd provided these details previously, but it may be the case that the information supplied at the account opening stage was only retained for a limited period of time. Banks and lenders aren't required to store data indefinitely. I understand that Mr K has concerns about his data, but I don't agree that asking for updated identification means that Barclaycard has breached GDPR.

Taking everything into consideration, I'm not upholding the complaint. I'm satisfied that the offer made by Barclaycard to pay further compensation of £150 to Mr K for the distress and inconvenience caused when he was unable to access his account online is fair and reasonable.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 July 2024.

Emma Davy
Ombudsman