

The complaint

Mr R complains Barclays Bank UK PLC closed a savings account due to inactivity, he also complains Barclays would not release the funds in the closed account to him despite him providing the identification Barclays asked for.

What happened

I sent the parties a provisional decision in April 2024, in which I set out the following background and my provisional findings, as follows:

Mr R explained Barclays closed his savings account in June 2022 having advised it would do so in writing in March 2022. Mr R explained he wasn't aware Barclays were going to close his account as he was seriously ill in hospital from March 2022. Mr R said he first contacted Barclays in August 2022. He said Barclays told him everything was okay with his account and he agreed he would make a transaction later.

Mr R explained he next contacted Barclays in January 2023 to transfer some funds from the savings account. He states Barclays first said he didn't have a savings account, the call handler then looked into the circumstances and told him his account had been closed due to inactivity. Mr R says he called again a few days later but was again unable to access his money. He received a letter in response to this last call, explaining he needed to supply Barclays with photo identification and proof of address to access his funds.

Mr R visited a branch of Barclays in June 2023 to open a new savings account. The adviser told him he wouldn't need to provide identification again to get the funds from his dormant account. Mr R said he posted his identification documents to Barclays the next day and received proof Barclays received these documents as he sent them recorded delivery.

A few days later, Mr R contacted Barclays and asked what the balance was of his new savings account. Barclays told him it had no funds in it. The call handler stated they had not received the correct paperwork to release the money. Mr R says he then received a further letter towards the end of June 2023 again asking for identification.

Mr R explained he visited the branch again in October 2023 and again supplied photo identification and proof of address. Mr R says Barclays lost these details. He said Barclays said he would need to make another claim as the previous two had been cancelled.

Mr R complained to our service in October 2023, with the funds still restricted by Barclays.

Mr R visited a branch in November 2023 and said he provided the required documents to another adviser. He said the adviser said the documents provided were 'valid'.

In its response to the complaint, Barclays said it did not get a response to the letter it sent to Mr R in March 2022 and closed this account in June 2022. Barclays said its records showed Mr R's next contact was in January 2023. Barclays initially said it did not have any record of Mr R visiting a branch with identification. Subsequently, Barclays did find evidence Mr R visited in June 2023 and of telephone calls in September 2023. Barclays could not find

evidence of Mr R visiting a branch in October 2023 or contacting it in August 2023.

Barclays accepted Mr R logged a claim in January 2023 and visited a branch with his identification. Barclays' notes state the claim was cancelled, and in June 2023 the claim was re-logged and Mr R provided further identification. Barclays accepted it appeared to have not actioned Mr R's requests correctly. The note also recognised Mr R had spoken to 'numerous advisors over the phone and none have taken ownership of the customer issues'.

Barclays' notes show Mr R telephoned a few days later in June 2023 to discuss the identification he provided at the branch. The notes show the identification Mr R had provided had not yet reached the dormancy team. The call handler emailed the person Mr R had dealt with in branch asking for them to email the identification across again, and to call Mr R back. This note also mentions Mr R is 'wheelchair bound' and is the first record I have seen acknowledging Mr R's vulnerabilities.

Towards the end of June 2023, there is a note which shows 'Operational Servicing' had received the reclaim request. The note goes on to say, 'More information required certified proof of ID...'

Barclays wrote to Mr R on 30 June following this update. The letter explained Barclays required Mr R to provide it with 'a certified copy of a valid photographic form of identity' and 'a certified copy of a document confirming your full current address'. The letter included a copy of the certificate it needed completing, including details of the professions it would accept as signatories. It also said this certification could be completed by a branch.

Barclays wrote to Mr R in November 2023. The letter explained Barclays had contacted the branch to try to locate the identification Mr R had taken in when he visited in June and October 2023. Barclays said 'we have been unable to find the ID you have supplied. As such, I agree with your complaint and please accept my sincere apologies for the delay'.

Barclays wrote to Mr R again in December 2023 stating it couldn't accept his Barclays statement as proof of address and would need a letter from a different company. Barclays confirmed it would not release the funds until it had identified Mr R but said it would pay interest on the savings at the rate applicable to the account Mr R had before it was closed.

Barclays offered £100 compensation, explaining it had decided to give Mr R the 'benefit of the doubt' that he had provided identification, however, Barclays said it still required identification before it would release the funds to Mr R.

Mr R explained to our service he lives in a care home since his illness and doesn't have utility bills or the types of letters suggested by Barclays. He explained the address Barclays have on file for him is an address where his mail is sent and collected for him intermittently.

In January 2024, after our investigator's involvement, Barclays agreed to release the funds to Mr R without the identification. Barclays confirmed it did now hold identification for him. Mr R has asked for significant compensation and explained he expected an inflation-based 10% interest rate for nearly 400 days Barclays held this money without him having access.

Our investigator thought there was some delay on Mr R's part in dealing with the dormant account, but Barclays should have identified Mr R's vulnerabilities and understood his circumstances earlier. She also said Barclays should have thought of other ways to verify Mr R's details sooner. Our investigator recommended Barclays pay Mr R an additional £200 compensation for the distress and inconvenience it had caused him.

Mr R rejected our investigator's recommendation, explaining he considers he is due

significantly more compensation in excess of £8,000. He asked for his complaint to be passed to an ombudsman so he can exhaust our service's processes before taking legal action. Mr R's complaint has therefore been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities, that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Banks need to protect accounts from fraud. To do this, they often put inactive accounts into a dormant state, this protects the funds and means identification is required for a withdrawal.

I think, looking at the evidence supplied by Barclays, it was clear about its intentions and offered a reasonable timeframe and options for Mr R to make sure the account did not go dormant. This could have been as simple as making a small withdrawal or deposit.

Having said that, I appreciate Mr R was unwell during this time. It appears Mr R did not update his address with Barclays. This was understandable in the circumstances, and Barclays continued to send correspondence to the address they had on file. Mr R said this address was still linked to him and he was able to intermittently receive his post from this address.

However, I think it is fair to conclude letters going to this address undoubtedly caused delay, both in terms of him receiving letters from Barclays and providing identification.

Considering the evidence, I do not think Barclays did anything wrong by placing Mr R's account in dormancy. Mr R did not contact Barclays after it had set a reasonable time frame for the account closure, I think it is fair to conclude, it did not know Mr R was unwell and didn't have any reason to extend the time frame for contact.

I appreciate Mr R says he contacted Barclays in August 2022, I have not seen any evidence which corroborates this. In any event, I am satisfied Mr R's account was closed at this time, having gone dormant in June 2022. Mr R said he agreed during this call to make a transaction later, but I have not seen any evidence, either from him or Barclays, that he did anything further until January 2023.

The second part of Mr R's complaint is regarding what happened after he contacted Barclays in January 2023. Barclays correctly advised him about the status of his account during this call. Barclays then wrote to Mr R explaining the process for receiving the funds it had restricted. I think, considering what Barclays knew, this contact was appropriate and provided a course of action Mr R needed to take.

The evidence shows, Mr R's next contact was when he visited a branch in early June 2023 and opened a new savings account, providing documents for identification. I think these documents were then rejected a few weeks later as not suitable by Barclays dormancy team. I think this was because the document supplied may have not been certified as Barclays had requested. This is because the note on the system states, 'required certified proof of ID'. Mr R did not say he had provided certified documents for the opening of his new account.

That said, it is clear from the letters sent, Barclays could have certified the documents in branch during his visit. I therefore think the branch may also have failed to do this having told

Mr R the documents would serve as identification for the purposes of obtaining his funds.

On the balance of probability, I think Mr R was given incorrect information and was allowed to provide documents which were either not suitable for the purpose of identification or, more likely, were not certified properly by the branch.

I also note, there doesn't appear to have been a call back from the branch at the beginning of June, this may have assisted in curtailing these delays. I consider this interaction with Barclays is the first issue where I think customer service could have been better.

The next contact Barclays have recorded is in September 2023. It shows Mr R called for an update regarding his dormancy claim. There is reference to a previous call, but no details have been provided, other than to say it is being dealt with and they will contact him. There does not appear to have been further actions raised because of these calls which could have prevented the need for Mr R to visit the branch again. I note Barclays were aware of Mr R's vulnerabilities at this time following his visit in June.

The next contact Mr R stated he had with Barclays was when he said he again visited the branch in October 2023. Barclays said in its response the branch and the dormancy team had no record of the identification Mr R said he provided on this visit. Mr R was able to provide the name of the person he spoke with during this interaction and explained he provided photo identification and a letter.

There is little evidence about this visit for me to make a decision on. However, as Mr R has provided a name of the individual he dealt with in the branch and Barclays hasn't provided evidence to counter Mr R's recollection, I am persuaded to accept Mr R did again visit the branch and did provide some documentation. I have also taken into account Barclays responses stating it was prepared to give Mr R the benefit of the doubt, it couldn't find the documents provided and ultimately has agreed with his complaint about this visit.

I think, taking this all into account, and on the balance of probabilities, Mr R was again provided with poor service where his documents appear to have been lost after he visited the branch.

After Mr R complained to our service, our investigator was helpfully able to negotiate the funds being released to Mr R. Barclays were able to make some concessions and took reasonable action to assist Mr R in accessing his funds. This demonstrates there was some flexibility in the process.

In making my decision, I can see Barclays are acting in the interest of its customers by closing inactive accounts. I also think Barclays did enough to notify Mr R of the closure, considering what Barclays knew at the time. I do not uphold this part of the complaint.

Mr R is clearly unwell with significant mobility issues, which Barclays became aware of and noted in June 2023. For the reasons outlined, I think Mr R has been caused some distress and inconvenience by Barclays, particularly recently where he needed the funds to pay for his care. I therefore partially uphold this part of Mr R's complaint.

I can see Barclays are offering to pay interest at the rate the savings account was at during the dormancy period, this is inline with its terms and conditions and, by the very nature of this complaint, Mr R had not moved this money for some time, so I think this is a fair and reasonable offer and therefore can't agree with the interest Mr R has asked to be paid.

I can see Barclays have already paid Mr R compensation of £100, and our investigator recommended a further £200 be awarded due to the poor service. Barclays agreed to pay

this award. I think, however, this recommended compensation award is an award we would likely make in a situation where Mr R had been in good health and do not think it reflects the aggravating factors and extra difficulties Mr R described.

I think Barclays should have recognised Mr R's vulnerabilities earlier and explored Mr R's needs when he visited the branch in June 2023, and subsequently when he contacted and visited the branch. I also note there were repeated failures over a period of many months. I therefore think this requires a higher award.

For these reasons I consider the compensation recommended to be too low and I think Barclays should pay Mr R £500 in total compensation, which I consider to be in line with similar cases I have seen.

Finally, The Financial Ombudsman Service is an alternative to Court and doesn't replicate its role, only a Court can award damages. I note Mr R's comments in relation to the view our investigator issued, therefore, if Mr R decides to reject this provisional decision, he may still be able to take legal action through the Courts.

My provisional decision and the parties' response

I provisionally decided to partly uphold Mr R's complaint and thought Barclays Bank PLC should pay Mr R £500 compensation and pay interest at the rate the account would have accumulated for the entire dormancy period.

Barclays responded stating it accepted my provisional decision. Mr R responded indicating he was disappointed with my provisional decision. He did not provide any further comments or further evidence. Mr R indicated he would consider his options following the final decision being issued.

I have carefully reconsidered this case after Mr R's expression of disappointment to my provisional decision. Having done so, I remain of the view the compensation I have awarded is reasonable and fair in the circumstances and in line with similar awards our service has made.

As I explained in my provisional decision, Mr R can reject my final decision and will not be bound by it if he does so. This means he can consider alternative options, including Court, if he wishes to.

My final decision

My final decision is that I partly uphold Mr R's complaint. I require Barclays Bank UK PLC to pay Mr R a total of £500 compensation for the distress and inconvenience it caused him. Barclays can deduct whatever it has already paid Mr R in compensation for this complaint.

I also require Barclays Bank PLC to pay interest on the balance in line with what Mr R's account would have accumulated if it had remained open over the entire dormancy period between the date his account was closed in June 2022 and when he received his funds back on 9 February 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 June 2024.

Gareth Jones
Ombudsman