

## The complaint

A charitable incorporated organisation (CIO), which I will refer to as G, complains that Barclays Bank UK Plc treated it poorly in relation to its bank account.

## What happened

One of our investigators looked at this complaint. Briefly, she said:

- In October 2022 G held an existing business account with Barclays. The bank began a Know Your Customer (KYC) review to obtain up-to-date information about G.
- As part of its KYC review, Barclays identified that G held an account designed for an unincorporated organisation such as a club or society. The bank said that meant G required a new account for an incorporated entity.
- G made a complaint about the KYC process and the bank's decision that it needed to open a new account. Barclays issued a final response on 11 June 2023 and offered £100 compensation, as it agreed it could have done more to help G with the account opening process. But the bank said G would still need to call its new business team to proceed with opening a new account.
- On 5 August 2023 Barclays wrote to G giving two months' notice of its intention to close G's existing account.
- G made a new complaint, and Barclays issued a new final response on 5 September 2023. Barclays accepted that it had failed to contact G about the change of entity as agreed. It said it would get in touch again about the change, and offered a further £100 in compensation.
- Barclays told us that it arranged an appointment at some point in September 2023 to complete the opening of the new account, but the charity failed to provide the necessary information. Barclays says it therefore closed G's account on 21 October 2023.
- In December 2023 Barclays offered to pay G £400 in respect of the issues covered in its 5 September 2023 final response. One of our investigators said that £400 represented fair compensation for the issues the charity had experienced (which included the delays in the account opening process). The charity accepted Barclays' offer, and the bank paid £400.
- G then contacted the bank again and raised a further complaint about the closure of its existing account. On 31 January 2024 Barclays issued another final response in which it said the account closure had proceeded fairly. It also said G hadn't provided the relevant information to enable it to open a new account. But it nevertheless offered a further £150 in compensation, and said it would look to reopen the account the charity had held before.

- G's account was reopened on 1 February 2024, and its funds (in the amount of £1,040.92) were returned to that account on 6 February 2024.
- G later completed a mandate for the change of entity for its account, and began using the account for transactions on 3 May 2024.

Our investigator also noted that G had brought two complaints to the Financial Ombudsman Service, on 20 September 2023 ('the first complaint') and 8 February 2024 ('the second complaint', which I am deciding in this decision). She said that a previous investigator had already concluded that Barclays' payment of £400 was fair and reasonable in respect of the first complaint. Her role was to address the second complaint, but she also took into account what had happened before.

Our investigator said that at the time Barclays closed G's account, the bank didn't allow CIOs like G to hold an account designed for an unincorporated organisation. Barclays later changed its processes and as a result it agreed to reopen G's closed account. Our investigator didn't think that Barclays' decision to reopen the account meant that the bank had done anything wrong in closing the account, but she did think the bank could have done more to ensure G's new account was open before the old one closed.

Overall, our investigator said she thought that a total payment of £550 (the £400 Barclays has already paid plus the £150 it has offered) represented fair compensation for the bank's mistakes.

Barclays accepted our investigator's findings, but G's representatives did not. They asked for the matter to be referred to 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.

Having done so, whilst I am sorry to further disappoint G's representatives there is very little I can add to what our investigator has already said.

I agree with our investigator that Barclays didn't make an error when it closed G's account. I acknowledge that G's representatives had returned the KYC documentation Barclays had asked for, but Barclays was nevertheless entitled to decide that it was unwilling to allow a CIO to hold an account that was not designed for CIOs. The bank now says it did not close the account because of a missed appointment; it closed the account because G was an incorporated entity holding an account which was designed for unincorporated clubs or societies. I accept that various members of Barclays' staff have told G's representatives various things about the reason for the closure, but the evidence I have seen persuades me that the real reason for the closure was that – at the time – Barclays did not wish to offer a CIO an account of the type G had.

I do think Barclays should have done more to ensure that G still had access to an account (even if that was not G's original account). There is some confusion about what happened in September 2023, but I think it is clear that there was some discussion about an appointment and then neither party followed up when that appointment did not happen. I understand that G's representative was on holiday and did not have time to phone the bank, but in any event I think Barclays should have contacted G's representatives again to facilitate the opening of a new account. The bank's failure to do so caused inconvenience, and I think it is fair that the bank should pay some compensation as a result.

We publish information on our approach to awards for inconvenience on our website at <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience> . Taking that guidance into account, looking at what happened here, and applying my own judgement, I agree that a payment of a further £150 represents fair compensation in this case.

I know G's representatives are unhappy that the investigator looking at this complaint took account of what had happened in previous complaints. But I think she was right to do so, and I have done the same thing. In looking at this complaint, I need to take into account all the circumstances – and those circumstances include the interactions between G and Barclays prior to this complaint. It would not be right for me to award additional money for issues that Barclays has already paid compensation for.

Overall, I consider that the offer Barclays has made to pay an additional £150 represents a fair and reasonable resolution to this complaint.

### **My final decision**

My final decision is that I order Barclays Bank UK Plc to pay G £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 14 February 2025.

Laura Colman  
**Ombudsman**