

The complaint

The trustees of a charity which I'll call 'N' complains that Barclays Bank UK Plc took an unreasonable amount of time to change their account mandate.

The complaint is brought on N's behalf by their manager, Mrs P.

What happened

N held an account with Barclays. In December 2021, they asked the bank to amend the mandate held on their account due to the passing of their treasurer.

N told us:

- They actively tried to engage with Barclays to provide the information it needed - however, the bank was causing unreasonable delays.
- Barclays had omitted information that they needed to know about the process, provided incorrect information, not certified documents correctly, and then lost copies of documents which had been provided in branch.
- The inconvenience of repeatedly being asked for information and not being added to their account correctly had caused several trustees to resign.
- As a result of the account mandate not being updated as requested over a period spanning several years, at times they'd lost access to their online banking facility and couldn't manage their account.
- They'd spent an unreasonable amount of time trying to provide Barclays with information or request updates – often for many hours at a time – and been caused an unreasonable amount of inconvenience by the bank's actions. Barclays had paid £300 compensation, but this wasn't enough for the impact the bank's actions had on the charity and because the mandate change still hadn't been actioned.

Barclays told us:

- N had requested a mandate change in December 2021; however, it had identified at this point that the charity had been set up incorrectly on its system. It took four months for this issue to be resolved which caused delays.
- N's trustees had taken documents into their local branch to be verified, however due to an error, instructions weren't sufficiently recorded for the branch staff, so this wasn't actioned. Then when a trustee did provide their information, this wasn't correctly certified by the branch.
- At times during the mandate change process, it had identified information was missing but not told N what was required. It also didn't tell N that the information that

had been provided and accepted could expire – and therefore would need to be provided again due to the time the mandate change had taken.

- It had added a trustee to N's account in November 2022, but in error hadn't checked the charity commission website to ensure that all trustees had been included. This caused a delay of a month.
- It agreed that N had been caused inconvenience and spent an unreasonable amount of time trying to resolve the mandate issue. It also accepted that N's trustees had frequently spent many hours on calls with the bank, so it had apologised and paid £300 in total for the inconvenience caused.

Our investigator thought Barclays had done enough to put things right. He said that although N had asked the bank to change their mandate in December 2021, this hadn't been a straightforward request, and Barclays had explained at each point why this was the case. He said the bank had acknowledged there had been times where it had caused delays, however Barclays had apologised, paid £300 compensation for the inconvenience, and now resolved the mandate issues. He also said that it wasn't our service's role to fine or punish a business for making a mistake and that we didn't award compensation based on an hourly rate.

N didn't agree and asked for an ombudsman to review their complaint. The trustees said that £300 wasn't enough for the inconvenience caused to the charity, and that they were unhappy both with the information requests from the bank, and that their information had been repeatedly misplaced by Barclays – causing concerns about the security of this information.

I issued a provisional decision on 2 August 2024. I said the following:

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

I acknowledge N's trustees feel strongly about what's happened. They've provided a lot of information and testimony in support of the complaint. I've read and considered everything they have provided, however, in this decision I've not commented on each and every point they've raised. I don't mean this as a discourtesy, this is simply due to the informal nature of this service which allows me to do so. In summary, they feel that Barclays caused N an unreasonable amount of inconvenience to make changes to their mandate and that the compensation paid by the bank isn't enough.

Barclays argues that it is entitled to request any information that it needs to meet its legal and regulatory obligations. It says it has apologised for its error's, updated the mandate as requested and paid £300 compensation which is enough to put things right – but I don't agree. It's not disputed by either party that Barclays can request the information it needs to complete its checks, and based on what I've seen, I'm satisfied that N's trustees have gone to great lengths to try and provide the information that the bank has requested. However, I don't think Barclays has treated N fairly in how it has made its request.

Barclays has accepted that it made a series of errors, however I'm not satisfied that the bank has looked at the collective impact on N as a result of this. When N contacted Barclays in December 2021 to change their mandate, the bank identified it had set up their account incorrectly. It took Barclays four months to resolve this issue, and then despite regular calls from N's trustees between April 2022 and July 2022 the bank didn't request all the information it needed to resolve the mandate issue. Barclays then requested further information in August 2022 and asked N's

trustee's to go to the branch to get the documents certified – which they did – only for this not to have been communicated correctly. This meant the documents firstly were refused, then when accepted they weren't certified correctly. One of N's trustees had to visit the branch three times to be able to comply with the banks request, so I don't think Barclays behaved reasonably here.

Following this, N provided further information to Barclays as requested between August and October 2022. In October 2022, the bank noted that the information N had provided had expired due to the time that had passed since the initial request. Not only was the delay as a result of Barclays actions, but the bank didn't communicate this to N which meant they had to resubmit all the required information again. I can see that despite these errors, the bank still didn't provide N with a list of all the information they needed to provide for the mandate to be changed. And N has told us that as a result of the issues with the mandate, several of N's trustees had resigned.

Looking at the evidence, I can see that N had to make numerous calls to the bank to continually chase for the mandate changes. I've also seen that there were often gaps of several months where no action was taken by the bank - despite letters and calls from N - and then further information was requested. I've also seen that N was given conflicting information about what the charity needed to do to resolve the outstanding issues. I recognise that Barclays has timescales in place, however, given the impact to N as a result of the bank's error's I think the bank should have looked to expediate matters for the charity.

I recognise that Barclays says it offered to support N through the mandate change. However, I've also seen that the bank told N they had to speak to the specific department dealing with their request. I've also seen that N was given conflicting information by Barclays when dealing with the mandate change, so I think Barclays should have looked to assist N here with bespoke or additional support from the bank without the trustees having to accept/request this. So based on what I've seen, I don't think Barclays treated N fairly.

N told us that they've also experienced several issues with their online banking as a result of the mandate issues. Although that may be the case, I haven't seen anything to suggest the online banking error was as a result of the bank's mandate changes. Based on what I've seen, I think it's more likely this was simply a system issue at that time. But in any event, I can see that Barclays has paid N £50 for the inconvenience caused from them not being able to access their online banking intermittently, and I think that's enough to put that issue right.

Putting things right

Overall, I think that Barclays errors here had a lengthy knock-on effect of delaying N's mandate change by a significant period, causing extended inconvenience. If everything had happened as it should, I think Barclays would have had N's account set up correctly and been able to request all the information it needed to change the account mandate, certified the required documentation at first request, and made the change before any of the information expired. Given N's desire to resolve this issue quickly, I think it's likely the changes would have taken place in a matter of months – rather than nearly two years later.

I understand N says that several of their trustees resigned as a result of the issues caused by the bank. Whilst I haven't seen any evidence that the trustee's actions were solely as a result of the repeated requests by Barclays, given the circumstances

I think it's possible this was a contributing factor. Therefore, I think the bank should increase the compensation payable by a further £450 to take into account the impact to N over the two-year period. This figure also accounts for the cost of the calls made by N, which Barclays itself has said were often more than two hours in length.

I understand N's trustees feel strongly about the complaint and that they'll be disappointed as they wanted significantly more compensation. However, I consider that compensation of £750 for the mandate issues and £50 for the online banking issues experienced by N is fair and in line with what our service would recommend for the level of inconvenience caused.

I invited N and Barclays to give me any more evidence and information they wanted me to consider before issuing my final decision. N didn't think the compensation was enough for the inconvenience caused to the charity, however they didn't see any point in reiterating the issues caused by the bank or the time spent trying to resolve them. They did however say that they were still experiencing issues with the bank but felt it wasn't worth raising a complaint due to the bank's errors and had to make alternative arrangements to resolve things themselves. Barclays accepted the decision and had nothing further to add.

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, as neither party had nothing further to add to this complaint, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I direct Barclays Bank UK Plc to pay N a further £450 compensation in addition to the £350 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 16 September 2024.

Jenny Lomax
Ombudsman