

The complaint

A company which I'll call 'T' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on T's behalf by its director, Mr C.

What happened

T held a business account with Barclays. In summer 2022, the bank requested information so it could complete its 'Know Your Customer' ('KYC') checks.

Mr C told us:

- He'd provided the information requested by Barclays, but around 6 weeks later T received a letter from the bank asking that he call to provide further information.
- He'd repeatedly tried to call the bank on the number provided but hadn't been able to get through.
- He complained to Barclays via email and eventually it confirmed the information it wanted, which included the nature of T's business and turnover.
- He'd been given conflicting information about what Barclays actually wanted, and how the bank's staff could communicate with him, so he felt he'd been lied to by the bank.

Barclays told us:

- It didn't think it had made an error in requesting information from T so it could complete its KYC review.
- The issues T was experiencing with its online banking was due to an unrelated error and it needed to ensure its web browser was on the latest version.
- It had asked T for clarifying information because Mr C's initial responses didn't match the publicly available information for the company such as the trading address and nature of the business. Once it was able to clarify the information in December 2022, the KYC review was completed in mid-January 2023.

Our investigator didn't recommend the complaint be upheld. She said that Barclays was entitled to ask for the information it had, and she thought it was reasonable for the bank to undertake a KYC review and although it may have been inconvenient for T, the bank hadn't done anything wrong.

Mr C didn't agree and asked for an ombudsman to review T's complaint. He said he didn't dispute that Barclays was entitled to ask for information, however the investigator hadn't

considered the time taken for the review and the closure of the matter, despite no further information being provided.

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 acknowledge Mr C feels strongly about what's happened, but I'm sorry to disappoint him as there's not much more that I can add to what our investigator has already said.

Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers, which means the bank may need to check from time to time that the information it holds for its customer is correct. It is a commercial decision which Barclays is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations.

If a customer doesn't provide this information, the bank may be put in the position whereby it may break a law, regulation, code, or duty and therefore it is able to take further action to mitigate this, such as restricting and then ultimately closing an account. I recognise that Mr C is unhappy about some of the information that he was asked to clarify for T, such as the company's trading address. However, I've seen Barclays' records and the reason that it requested the additional information, and I'm satisfied that the bank acted reasonably here. And ultimately, if Mr C didn't want to provide the information requested by the bank, he could have chosen to open an account for T elsewhere.

Furthermore, whilst I understand that Mr C felt Barclays had behaved unreasonably in placing a restriction on T's accounts, I'm not persuaded that's the case. I say that firstly because I haven't seen any evidence that Barclays restricted access to T's accounts, only that it was restricted from applying for new products with the bank until the outstanding information it had requested had been received. I think this was reasonable as Barclays needed to check the information it held for T was accurate.

Mr C also says it's unfair that the bank expected him to contact it to resolve the outstanding KYC issues, rather than emailing him to say what it needed. But I don't agree. It's a commercial decision that Barclays has made in asking its customers to call the dedicated KYC team to discuss the outstanding information - should the initial information provided not be sufficient. It is also the decision of the bank that it have a dedicated KYC team that usually only communicates via phone, and whilst this may be frustrating for Mr C, in part due to the call waiting times, I can't say that the bank has behaved unreasonably here. Particularly as I can see that Barclays did try to assist Mr C when he was contacting a team that did communicate with customers via email and they acted as an intermediary between Mr C and the KYC team. Furthermore, I can see that Barclays has also put in place a call back option on incoming calls, so its customers don't have to wait for unreasonable periods.

I recognise Mr C says that he was given conflicting information about how the KYC team could contact him and he felt lied to by the bank. However, I've seen the bank's case notes which show that the KYC team were unable to contact customers by email, and it appears Mr C was given the information that the responding team believed was correct at that time. There could be any number of reasons why Mr C had received letters in writing or calls from the team, including that the bank had adapted its process based on feedback from its customers, as it did with the call back option. But in any event, even if the bank had made an error here, my role isn't to fine or punish a business for making a mistake. And as I've mentioned above, I'm satisfied that Barclays was acting in line with its own process and tried to assist Mr C where possible using his preferred contact method.

Mr C also says that the bank completed its KYC review without any further information from him, and therefore it didn't actually need him to provide further clarification, but I don't agree. I've seen the bank's case notes and I can see that Mr C did provide a response to Barclays outstanding queries in September/October 2022 and the bank was reviewing this information to see if it could resolve the KYC queries based on the responses from Mr C.

I don't dispute that there's been an impact to T, and Mr C as its director here. However, as I don't think that Barclays did anything wrong in asking T to provide information about its business so it can meet its obligations, it follows that I won't be recommending the bank pay T compensation for the time taken to provide this.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 30 October 2024.

Jenny Lomax
Ombudsman