

The complaint

Mr H complains that Barclays Bank UK PLC unfairly placed a restriction on his account.

What happened

Mr H complained to Barclays after it restricted his current account for around ten days in June 2023. He's unhappy because:

- At the time, Barclays didn't explain why it had implemented a restriction on his account
- He spent time during his usual working hours enquiring about the restriction and accessing his funds, as well as time spent making calls and sending emails
- He was unable to pay for essential costs including commuting costs, a restaurant bill, a coffee for a client and food costs
- He had to borrow money to pay for essentials as he couldn't access his funds
- He suffers from a medical condition that is triggered by stress and the bank's actions put him at risk of triggering his condition – he feels Barclays ignored his health condition
- Regular payments from his account were restricted and he was told he may not be able to withdraw funds in branch – even with identification

In its response, Barclays explained that its actions were due to a third-party claim on funds deposited via cheque into Mr H's business account in 2022. The bank said it had a duty to investigate the claim and that it followed its process correctly by restricting Mr H's account pending the bank's investigation. Barclays added that the restriction was lifted within its service standard of seven working days. The bank paid Mr H £13.50 to cover him for increased travel costs and confirmed it had now recorded details about Mr H's health condition.

When Mr H raised his complaint with Barclays, he did so via his MP – he's unhappy that Barclays sent its response to his complaint via his MP rather than directly to him.

Remaining unhappy, Mr H asked this service for an independent view on his complaint. He wants the bank to compensate him for the stress and inconvenience he experienced and because he feels humiliated that he had to borrow money from others. He also wants Barclays to be penalised for its actions.

One of our investigators concluded that the bank had acted fairly – the investigator didn't see cause to ask Barclays to pay further compensation. Mr H didn't agree and asked for a final decision. He says it's unjust that Barclays could restrict his account without asking about the transaction it was investigating. Mr H says he's since experienced problems opening accounts elsewhere and thinks it's because of what Barclays has done.

The complaint has been passed to me for a final review.

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.

Banks that operate in the UK (including Barclays) are required to carry out specific actions to meet their legal and regulatory obligations. And that sometimes results in banks deciding to restrict customer accounts.

Barclays has provided me with information to show why it reviewed Mr H's account. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

The restriction on Mr H's account was initiated following a third-party claim that a cheque hadn't reached the intended beneficiary account. Instead, it had been paid into Mr H's business account – this account was also restricted and complained about to Barclays. This decision only deals with Mr H's complaint in relation to the account he held with Barclays as a private individual.

Mr H says he has no recollection of the cheque depositing into his business account. The value of the cheque was around £100, and it was paid in around March 2022, so I can appreciate why Mr H may not have any recollection of it now.

It's unclear how the cheque was successfully deposited into Mr H's business account. Barclays says it's unable to establish this given the deposit was made in 2022. Nevertheless, once made aware, Barclays was under a duty to investigate what had happened – so that it can satisfy its legal and regulatory obligations. And while it did so, the bank put in place an account restriction in line with its process. I'm satisfied this was reasonable.

I understand Mr H's concern about the account restriction, especially as he has no recollection of depositing the cheque into his account. Given the limited information that's available, I can't fairly conclude that the cheque was wrongly deposited into Mr H's business account because of a failing on the bank's part. However, Barclays is under a duty to take steps to ensure a payment reaches its intended beneficiary - I haven't seen anything to suggest that the bank failed to do so.

Nevertheless, I don't think I need to reach a finding on this point because – even if Barclays had made an error – the result would've been that it still needed to investigate what had happened. And, to do so it would've applied a restriction to Mr H's account, given his link to the business account where the cheque was deposited in to. So, despite the possibility that the error here may have been on the bank's part, an account restriction would likely have always been applied. And as I've already said, there simply isn't any evidence given the passage of time for me to make a finding on what did happen and whether Barclays made any error.

Barclays says that the restriction wouldn't have affected any existing payments such as direct debits and card payments would've successfully processed. It adds that Mr H could've withdrawn his funds in branch, if he provided suitable proof of his entitlement to the funds in his account. It's common for banks to require such proof in these circumstances, so I don't find this to be unreasonable.

Mr H says that, during the period his account was restricted, he couldn't make certain payments and he had to borrow money from others to do so. However, I can see from his account statements and transaction information that existing payments processed

successfully during the restriction period. Barclays' records show that no payment attempts were made using Mr H's debit card, but I haven't seen anything to suggest these would've failed either.

So, although I empathise with Mr H given he experienced some inconvenience and because he says he feels humiliated that he had to borrow money from others – I don't find cause to conclude that this is because Barclays unfairly restricted his account and stopped him from making payments in the way that he wanted to.

The restriction on Mr H's account lasted around ten calendar days and Barclays says it met its own service standard of seven working days. I appreciate this was a stressful time for Mr H and I note he was concerned his medical condition would be triggered by the stress. But I don't find the period of the restriction as unreasonable. There's no specific period that a bank is expected to complete such an investigation by – however, based on the information Barclays has provided, I can see that it could've completed its investigation sooner than its service standard of seven working days. My role though isn't to determine the ideal period of an investigation such as this. It's only for me to decide whether the time taken by Barclays was fair and reasonable.

To do this, I've considered the impact of the account restriction on Mr H. I've already explained why I'm not persuaded that the restriction prevented Mr H making payments in the way he's suggested.

Mr H also says that the bank caused him stress to a degree that put him at risk as his medical condition could've been triggered. Although I appreciate this would've been a matter of concern for Mr H, I can't see that he did indeed experience any symptoms of his condition. And I can only consider what actually happened, rather than what could've happened. I also note that, when Mr H advised Barclays of his condition, the bank recorded the details on its system and noted that he didn't require any specific adjustments at the time. So I'm satisfied Barclays took reasonable steps in response to what Mr H told it.

Mr H also points to the inconvenience he experienced in contacting Barclays about the account restriction – including time spent on the phone and visiting a Barclays branch. Having reviewed Mr H's interactions with Barclays, I haven't seen anything that leads me to conclude that he was provided with a poor level of service. Mr H points to Barclays' decision to issue him its final response to the complaint by sending it via his MP. As our investigator pointed out, Mr H raised his complaint through his MP, so I don't find it unreasonable that Barclays sent its response in this way.

Additionally, the information Barclays has shared suggests it was mainly a family member visiting a Barclays branch on Mr H's behalf and not Mr H. Understandably, Barclays couldn't engage with this individual as it doesn't appear as though they were authorised to discuss the account on Mr H's behalf. And as this individual isn't the account holder and thus not an eligible complainant, any loss or inconvenience caused to them doesn't fall under the scope of what I'm able to consider. So I'm not persuaded that Mr H was treated unfairly because of this.

Given this, although Barclays' information suggests it could've been more prompt, I'm satisfied that the period of the account restriction Barclays put in place was reasonable. So I won't be asking Barclays to do anything.

Mr H says he's experiencing problems opening an account with other banking providers and he thinks this is because of Barclays' actions. However, I haven't seen anything that points to Barclays having recorded any information or markers under Mr H's name. I'm sorry to hear he's experiencing such problems, but I've seen nothing that makes me think this is due

to something Barclays has done.

Mr H indicated that he'd like this service to penalise Barclays. I'd like to point out that it isn't this service's role to punish or fine a firm. My role is to decide whether Barclays acted fairly and, if I think it didn't, to explain what I think the bank should do to put things right for Mr H. As I've explained, I'm satisfied that Barclays acted fairly by applying the restriction to Mr H's account. And, although I empathise with Mr H because of the stress and inconvenience he says he experienced, I'm not asking Barclays to do anything more in regard to this complaint.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 October 2024.

Abdul Ali
Ombudsman