

## **The complaint**

E, a charity, complains about the service they received from Barclays Bank UK PLC when trying to set up a bank account. They'd like to be appropriately compensated.

## **What happened**

E is represented by Mrs M, a trustee. The background to this dispute is well known to both parties, and largely not in dispute. So, I shall only cover it briefly here.

In March 2023 Mrs M attempted to open an account for E with Barclays. Initially she requested to convert a personal account to a charity account. However, there were numerous delays, despite being told it should be a straightforward process. Barclays requested identification from all the trustees – but when this proved difficult the bank suggested removing them as a trustee.

There were further delays when the case handler left Barclays, and the application wasn't picked up immediately, which meant the process had to start again. Eventually in early 2024 Barclays declined to open an account for E.

Mrs M complained about what happened – saying that because of the delays E had missed out on opportunities to raise funds. She also felt the request to remove the trustee may have been down to their race. Barclays responded to say they agreed they had made mistakes – and that the time taken both to review the application and subsequent complaint were too long. They agreed to pay E £250 in compensation.

Dissatisfied with this Mrs M referred E's complaint to our service. When sending their file Barclays offered to increase the compensation to £400. Our investigator thought this was a reasonable amount – agreeing that there had been significant delays to the account application, but overall Barclays could reasonably choose not to open an account for E.

Mrs M didn't agree with this, contrasting her experience opening an account for E with another bank. But the investigator didn't think this changed anything. As no agreement could be reached the complaint has been passed to me to decide.

## **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.

Barclays have a broad commercial discretion over who they provide accounts to – and they are generally free to decide who they provide accounts to and under what criteria. Our service would rarely say that a bank ought to have opened an account if the applicant didn't meet the bank's criteria. Instead we would look to see that any application was considered fairly, and in line with the appropriate criteria.

If an application is declined there's no specific obligation on the bank to explain precisely why. In this case Barclays haven't expanded on their reasoning to Mrs M or E. But they have provided it to our service.

The rules of the Financial Ombudsman Service allow us to treat certain evidence in confidence – for example if it contains information about third parties, or security details. In this case I'm satisfied that it's appropriate that this reasoning remain confidential. So, while this will be disappointing to Mrs E and the other trustees of E, I won't be detailing it in full here.

I'm satisfied that Barclay's decision to decline the application was a legitimate commercial decision that they were entitled to make. However, it's clear that the application process was very poorly handled by Barclays. It took almost a year for the full process to be completed and needed to be restarted at one point. While some of this was down to Barclays waiting for information from This is unreasonable, and it will have taken the trustees' time away from other aspects of running the charity. The communication from Barclays was poor, and not to a reasonable standard.

I've considered what Mrs M has said about Barclays suggesting one trustee be removed, believing this was discriminatory. The primary legislation for issues of discrimination is the Equalities Act 2010 – but this act makes it clear that only the Courts can decide whether the act was breached. So, this isn't a finding I can make.

My role though is to take relevant legislation into account when deciding what's fair and reasonable. Having reviewed the available evidence, I've seen nothing to suggest any of the trustees' personal characteristics were considered as part of the application process. But I see that suggesting that this particular trustee be removed is inappropriate and will have caused disruption to the running of the charity.

It's reasonable that Barclays pay some compensation to reflect the disruption caused to E by the handling of the application. But I've also seen nothing to suggest E would have been prevented from applying for a bank account elsewhere during this period – Mrs M has given details of a more straightforward process with another bank. And I don't see that the issues caused by Barclays ought reasonably to have prevented E from fundraising.

There were opportunities for E to mitigate the impact of Barclays' errors. Which that in mind I see that the total offer of compensation of £400 is reasonable. It is along the lines of what I would have suggested.

I note that Mrs M has said Barclays paid £250 of this directly to her – she has subsequently asked them to take it back. In the circumstances the complainant here is E, so any compensation should be paid directly to E itself, rather than to a trustee.

### **My final decision**

My final decision is that Barclays Bank UK Plc must pay E £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 2 December 2024.

Thom Bennett  
**Ombudsman**