

## **The complaint**

R, a partnership, comprising of Mr C and Ms T, complains that Barclays Bank UK PLC (Barclays) haven't done what they've asked them to do when trying to remove one of the partners from their partnership business bank account.

Mr C and Ms T are also unhappy that Barclays are continuing to correspond and pursue Mr C for a debt that is owed, even though he says he isn't a partner anymore.

## **What happened**

Mr C and Ms T opened a partnership business account with Barclays in January 2020.

Throughout 2020 and 2021 the account was used for business purposes, with some additional borrowing (overdraft and loan) added to the account.

In late 2021, the loan payments fell into arrears and defaulted. The debt was originally passed to a debt collection company, before being brought back in house to Barclays collections team.

In August 2022, Mr C contacted Barclays and asked to be removed from the partnership business account. He said he was no longer a partner. Barclays explained that because the loan account was with their business collections team – Mr C was better to discuss it with them.

It doesn't look like anything further happened until December 2022 when Mr C called again to be removed from the account. At this point he raised a complaint.

Barclays issued their final response letter and explained that to remove Mr C from the account, a mandate change would need to be completed. They provided details of the mandate team for Mr C to contact.

Mr C and Ms T remained unhappy and brought their complaint to this service. One of our Investigators considered the matter. They said that Barclays couldn't just remove Mr C from the partnership business account without replacing him with another partner. So, they didn't think Barclays had done anything wrong. They also said that under the terms and conditions of R's bank account, both Mr C and Ms T were jointly and severally liable for any debt that accrued on the account. So, they were satisfied Barclays could contact both partners about repaying the debt.

Mr C and Ms T disagreed and asked for the complaint to be considered by 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.

I understand that Mr C and Ms T's main complaint points are that Barclays haven't removed Mr C from the partnership account and they are continuing to pursue him for the debt owed.

They are not complaining that Barclays shouldn't have offered a loan or overdraft, just that Mr C shouldn't be pursued for it.

### ***Removing Mr C from R's partnership business account***

With the above in mind, I've first considered whether Barclays should've removed Mr C from the partnership account.

The evidence shows that Mr C has requested to be removed from R's accounts on a few occasions. But I don't think it's as simple as just removing Mr C at his request.

Barclays responded to Mr C and Ms T's complaint in December 2022 and explained that a mandate change needed to be completed, to remove Mr C.

Barclays must ensure it follows the correct, formal process before removing an individual from a business account. The mandate change allows them to do this and is required to ensure that all authorised partners agree with the requested change. I'm satisfied that Barclays have explained to Mr C and Ms T the necessary steps they need to take to remove Mr C from the account, and I think the mandate change is a fair and reasonable request of Barclays.

I've also looked at the terms and conditions of R's account and it says:

#### ***'Removing someone from an account operated by more than one person***

*You can ask us to remove someone from an account, including by converting it to a sole account. We'll need permission from all the account holders before doing this. Remember that any person removed from the account will still be liable under this agreement for the period before they were removed.'*

I haven't seen any evidence to show Mr C and Ms T have completed a mandate change. Because of this I'm satisfied that Barclays haven't acted unreasonably by not removing Mr C from R's accounts.

### **Can Barclays pursue Mr C for R's debts?**

I've next considered whether Barclays can pursue Mr C for the debt that is outstanding on R's accounts.

The term above, explained that even after removing Mr C from the account, he'd still be liable for the period of the agreement before he was removed.

And the terms and conditions below explain that both partners are jointly and severally liable for any borrowing on the account.

#### ***'Borrowing on an account operated by more than one person***

- *You agree that we can provide the information about the overdraft, such as the overdraft agreement, to only one of you. We'll treat both or all of you as having agreed to the borrowing arrangement.*
- *We can ask for payment of the whole amount you owe us under the agreement from everyone named on the account or from just one or some of you, not just a share of it. We can also decide that we'll accept partial payment from one of you, but this doesn't mean we agree that the other(s)*

*don't owe us the rest of the money. This is technically called 'joint and several liability', and you are all 'jointly and severally liable'.*

Therefore, I'm satisfied that Barclays are entitled to pursue Mr C for R's debts. And even if Mr C was removed from the account, he would still be jointly and severally liable for the debt unless the liability for the debt has been restructured in a different way to originally agreed – which hasn't happened. As such, I do not think Barclays has done anything wrong by contacting him about the monies owed and trying to arrange repayment.

I understand Mr C and Ms T are unhappy and says Barclays is only contacting Mr C, even when they've told them Ms T is taking responsibility for the debt. But as explained above, under the terms and conditions of the account, both Mr C and Ms T are both liable for the debt, and so Barclays can contact both partners about it.

I appreciate Mr C and Ms T's frustration about this situation. It appears that some agreements have been made between both partners, about how R will be managed going forward. But this does not mean Barclays have acted unfairly or unreasonably. There are certain requirements needed by Barclays to change the status and ownership of R's bank account. Mr C and Ms T might consider seeking independent, legal advice about how best to approach this going forward.

### **My final decision**

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 7 February 2025.

Rachel Killian  
**Ombudsman**