

## **The complaint**

Mr T complains about the service received from Barclays Bank UK PLC (“Barclays”) when trying to open an account with it. In particular, he is unhappy with Barclays “Know Your Customer” (KYC) requirements when opening an account and its security processes. Mr T doesn’t believe Barclays did enough to assist him through the process.

## **What happened**

Mr T attempted to open an account online with Barclays. As part of Barclays processes for this Mr T was asked to answer some questions generated from information held in his credit report. Mr T was unable to answer these questions and failed this part of the application. Barclays as an alternative directed Mr T to apply for the account in branch offering him a reference number and advising him to bring valid ID and address verification.

Mr T was unhappy with this as travelling to branch was inconvenient for him. Despite this Mr T travelled to a branch where initially he was advised he couldn’t open an account in branch. After Mr T explained the situation Barclays staff agreed to go through the account opening process with him. Mr T was unhappy with having to provide ID and the way Barclays needed to record his ID. In particular, Barclays required a picture of him holding his ID while in branch. Mr T refused to provide this and decided not to go ahead and open an account in branch.

Mr T complained about this to Barclays.

Barclays didn’t uphold Mr T’s complaint it explained that it must abide by the processes that are in place when it comes to the verification of its customers. And just because Mr T doesn’t wish to answer a verification question does not mean it can ask an alternative to suit his needs. But Barclays did offer to compensate Mr T £50 for any distress he felt for the service he’d received in branch and over the phone if Mr T provided it with his bank details.

Mr T was dissatisfied with this. Mr T is unhappy with Barclays security measures when communicating with him over the phone - including when raising a complaint, providing his account details for payment of compensation and when he wished to raise a Subject Access Request (SAR). Mr T doesn’t want to answer and complete Barclays security over the phone and is unhappy Barclays complaints team don’t have a direct email address for correspondence.

Despite not being able to talk to Mr T about his SAR Barclays did action it and the data requested was sent by courier in mid-September 2023. At the same time Barclays provided Mr T with a webpage he could make any further SARs.

Mr T was dissatisfied with Barclays final answer to his complaint points and so brought his complaint to this service.

Following this Mr T was given the option of providing his account details to this service to pass to Barclays so it could pay Mr T £50 compensation in recognition of any service failing.

But Mr T refused to accept this as a means of settling his complaint and requested Barclays provide an explanation to all the complaint points he'd raised.

One of our investigators looked into all of Mr T's concerns but didn't think that Barclays had acted unreasonably or treated Mr T unfairly. They didn't think that the questions Barclays asked from the information held in Mr T's credit report were unreasonable. They thought establishing an identity before opening an account was essential, and as the questions were tied to Mr T's personal information, they thought they should've been answerable.

They didn't think Barclays had been unreasonable in providing Mr T with the option of applying for an account in branch as he wasn't able to do this online and thought the compensation offered of £50 was fair for the service Mr T received in branch.

They thought the security and KYC processes Barclays had in place were standard and in line with the wider industry and didn't think Barclays were unreasonable in its requests regarding identity verification. Furthermore, they didn't think Barclays had treated Mr T unfairly when it wouldn't proceed with opening an account for him or its communication with him over the phone when he wouldn't answer its security questions.

And as Barclays had provided Mr T with the data from the SAR and offered further assistance if he required additional data they didn't think Barclays needed to do anything more.

Mr T disagrees. He says he is unable to receive the £50 compensation as he's prevented from providing his account details as he can't go through security because the complaint team refuses to ask any different questions. Mr T says he should be compensated for having to take action to enforce the payment of the compensation and has asked for an ombudsman's decision.

### **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 hope that Mr T won't take it as a discourtesy that I've condensed and described his complaint in the way that I have it is clear from the arguments he's provided how invested in the matter he is. But ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr T's complaint is around Barclays KYC and security requirements and processes when opening an account and communicating over the phone with it.

And so this is what my decision will focus on.

I note that Mr T has raised a number of other complaint points following bringing his complaint to this service regarding General Data Protection Regulation (GDPR) and his SAR and Barclays response to these which I consider are new complaint points or I don't think relate entirely to or are a side issue of the main complaint point as I've outlined above. And although I have considered all Mr T's submissions, I won't be addressing them all here in this decision. We are an informal dispute resolution service and in-line with our statutory objective to resolve complaints with a minimum of formality I don't believe addressing each and every point raised would be an effective operation of our service.

It might be helpful for me to say here that, as we are not the regulator, I cannot make Barclays change its systems and processes – such as how accounts are opened or what ID needs to be supplied or how or what security processes it has in place when communicating

with its customers or potential customers. Nor is it my role to say how Barclays must treat and process the personal data it holds on customers, that is the role of the regulator in this case the Financial Conduct Authority or the Information Commissioner's Office. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

Rather my role is to look at the problems Mr T has experienced and see if Barclays has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr T back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Mr T was unhappy that he couldn't open an account online due to the identity questions Barclays asked and feels that Barclays identity requirements for opening an account in branch are unreasonable. In particular, the requirement to have a picture of Mr T holding his ID.

Although I wouldn't tell a bank or building society how it should run its business or what identification requirements it should have in place, I don't think Barclays treated Mr T unfairly or were unreasonable when it couldn't progress his initial account application when it was unable to verify his identity online.

Barclays have KYC obligations it has to meet and part of this is being able to verify its customers identity. Barclays process for doing this was to ask questions from information held in Mr T's credit report which I think a reasonable person in Mr T's circumstances should know the answers to. Indeed, if they didn't know the answers to these types of questions, I'd expect the business to have some concerns about their identity and so directing the customer to visit a branch I think is reasonable in the circumstances.

I appreciate this was an inconvenience and how frustrated Mr T was about this and that other banks or building societies might do things differently. But Barclays wasn't able in this instance to verify Mr T, so further information was needed. And I'm sure Mr T understands sometimes one has to spend some time dealing with personal administrative and financial matters that isn't always convenient.

Unfortunately, on Mr T attending a branch was initially wrongly told by staff he couldn't open an account in branch. But once Mr T explained the situation the staff at Barclays branch were able to go ahead with the process of opening an account for him. Barclays accepted this was a service failing on its behalf and have offered Mr T £50 compensation which I think is fair as Mr T was able to still carry out the purpose of his trip to branch and the misunderstanding in branch isn't something that I think warrants compensation above that already offered.

Furthermore, I understand Mr T was also unhappy with Barclays KYC and ID requirements in branch and did not understand why Barclays required a picture of him holding his ID - and nor do I. But it is not up to me or him to determine what Barclays should accept as proof of ID in order to meet its regulatory obligations. As Mr T has pointed out there is no prescribed format for KYC and so providing its request is reasonable and achievable by its customers – which I think it is - it is entirely up to Barclays what processes it sets to satisfy its regulatory obligations.

I accept Mr T wasn't aware that he'd have to have his picture taken that day and thought he only needed to bring ID. But as I understand it whether Mr T was opening an account online, by phone or in branch it still would've required this type of identity verification and as I haven't seen anything to suggest the same policy isn't applied to all its customers, I can't say Barclays has done anything wrong.

So on this basis I can't say that Barclays has done anything wrong or treated Mr T unfairly when he failed to provide the information and documentation requested and so it didn't open a current account for him.

And I think the same can be said when Mr T wasn't able to discuss certain matters over the phone. Before Barclays is able to discuss with Mr T anything personal to him such as an account opening, a complaint or compensation payment, Barclays needs to be able to ensure that Mr T is who he says he is. This is to protect and safeguard both Mr T and Barclays interests from any fraudulent activity. If Mr T refuses to co-operate or is unable to pass Barclays security – the procedures of which it is entitled to set – I can't say Barclays have done anything wrong here in not continuing a phone call.

If Mr T is uncomfortable to take a call from Barclays for security reasons or otherwise, he doesn't have to. He is free to call Barclays back at a convenient time, but for security purposes, he will need to go through Barclays customer verification process which I think is fair.

Mr T is also unhappy Barclays provided him with a phone number for its complaints team and that Barclays don't allow for him to communicate with its complaint team via email. I don't think this is unreasonable as when it comes to raising or discussing a complaint Barclays would need to link the complaint to an individual and to do that it would need to verify that individual's identity. So it makes sense that Barclays does this over the phone when it already has security and verification processes in place through this channel. And in any case if there was a general email address available for this, in order to respond for security reasons Barclays would still have to somehow identify and verify who it was responding to and so I don't think Barclays is unreasonable here.

In-line with this Mr T has had difficulty providing his account details to receive the £50 compensation offered for any service failings on Barclays behalf as it required him going through security over the phone. But from the information I've seen and my understanding I think this is mainly down to the unwillingness on Mr T's part to provide the information or answers to the security questions asked - such as providing his full name. Indeed, Mr T was offered an alternative of providing his bank details to this service for passing on to Barclays on his behalf which he refused to do.

So I can't say Barclays has done anything wrong here in not being able to pay this compensation – I don't think it would be fair to expect Barclays to pay money to a customer where it can't satisfy itself of their identity.

However, in relation to Mr T's SAR my understanding is that Barclays have been able to accommodate any future requests by Mr T in this regard online and have provided Mr T with a web address to do so which I think is fair.

So it follows that I think the £50 compensation offered for the service received when attempting to open an account with Barclays is fair and in-line with what I'd expect. But I don't think Barclays KYC requirements are unreasonable or that it has treated Mr T unfairly by asking he follow the same procedures as other customers to satisfy its regulatory obligations when opening an account and / or communicating with it. And so I'm not going to ask Barclays do anything more to settle this complaint.

Barclays has requested Mr T's bank details so it can pay Mr T the £50 compensation which I don't think this is an unreasonable request and so Mr T should provide this now.

**My final decision**

For the reasons I've explained, I've decided what Barclays Bank UK PLC has done is enough to settle Mr T's complaint. On receipt of Mr T's bank account details Barclays Bank UK PLC should pay Mr T £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 March 2025.

Caroline Davies  
**Ombudsman**