

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 one of its directors, Mr P.

What happened

T held a business current account with Barclays.

Mr P told us:

- In around February 2025, Barclays said it was undertaking a 'Know Your Customer' (KYC) review and requested information about T.
- He'd sent the information back to Barclays that it had requested, however around four weeks later, the bank suspended T's account without warning.
- The day T's account was suspended he was meant to pay T's staff and Barclays' actions prevented him from doing so and stopped T accessing its credit balance of around £375,000.
- He contacted Barclays to find out why T's account had been suspended but the agent said they didn't know why that action had been taken as they could see the information had been received.
- After the call with Barclays, he'd continued to receive letters saying that the bank would close T's account unless the outstanding information was provided – despite Barclays saying it had received this.
- Barclays then suspended T's account for a second time in April 2025 for similar reasons, and when he called the bank regarding this, the suspension was removed. He'd asked the bank for a face-to-face meeting to discuss its KYC requirements to prevent this happening again, but it had declined that request.
- He had health issues which had been exacerbated by Barclays' actions, and he'd told the bank it was causing him stress. It was also impacting on his time which should be spent on other business matters for T.

Barclays told us:

- It had conducted a KYC review of T's account in early 2025 and needed some information from the business which it had requested via online banking and post.
- It could see that T had been engaging with the KYC review and providing information and therefore it had made an error in suspending T's account.

- It noted that Mr P had asked for a face-to-face appointment to resolve the KYC issues, but this wasn't something it could offer as this wasn't in line with its process. But it had offered Mr P support from its branch staff. It also couldn't confirm how long it would take to complete the KYC or if further information would be requested as this was an ongoing process.
- It had apologised for the error and initially offered £200 compensation to T for the inconvenience caused, but it had increased this to £350 for the continued issues. It had noted the impact Mr P said these issues had on his health, the time spent resolving the issue, and the losses incurred. However, it didn't offer compensation for this in line with its terms and conditions.

Our investigator didn't recommend the complaint be upheld as he thought the compensation offered by Barclays was fair for the poor service provided. He said that Barclays was able to request information it thought was relevant to meet its obligations, although the bank's process should have been smoother. He noted that Mr P had mentioned the impact to him personally, however he said this was T's complaint and we couldn't award compensation for the impact to Mr P.

Mr P didn't agree. He said that the compensation wasn't enough for the impact caused to him personally and the hours he'd spent given he charged £1,500 per day for his service. Mr P was also unhappy that Barclays wouldn't provide the information he'd requested under the General Data Protection Regulation (GDPR) regulations.

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 P feels strongly about what's happened, but I'm sorry to disappoint him as I think Barclays has done enough to put things right. Mr P says that Barclays behaved unreasonably when undertaking its KYC review and suspending T's account twice. It's not disputed by either party that's the case, and I can see that Barclays has apologised to T for the inconvenience caused by its actions and offered £350 compensation. The dispute now is whether the compensation offered by Barclays is fair.

Mr P told us that he was caused distress and inconvenience due to Barclays' actions, and this exacerbated his ongoing health issues. I'm sorry to disappoint Mr P but I cannot award compensation for the distress and inconvenience caused to him personally as this complaint has been brought on T's behalf, so T is the eligible complainant. Limited companies like T, as corporate bodies rather than individuals, are not capable of suffering emotional distress, which means I can only look at the inconvenience caused to T by Barclays' actions.

I recognise that Mr P is frustrated with Barclays' requests for different information and that it wouldn't undertake a face-to-face appointment for him to complete the KYC review. However, Barclays has legal and regulatory obligations that it needs to meet and it's a commercial decision that the bank is able to make on how it does this, and that isn't something our service would interfere with unless we thought it was acting unfairly which I'm not persuaded is the case here. I say that because Barclays has explained that its KYC team don't undertake face to face meetings and offered Mr P assistance from a member of staff in its branch instead. So, I don't think Barclays has behaved unfairly here.

I also acknowledge that Mr P is unhappy that Barclays hasn't asked for all the information it needed at the outset and asked for information about a third-party which Mr P says had

already been provided to the bank for another customer review. However, by the dynamic nature of a KYC check, the questions asked and information requested by the bank will change depending on the customer's initial responses, so I don't think it's unfair that Barclays requested additional information as its KYC review has progressed. Additionally, Barclays has said that it can't assume the information provided by the third-party was the same for both customers and therefore it needed to request this for T. I think this was reasonable.

Mr P says that Barclays has acted unreasonably by not providing the calls and letters that he's requested. However, there are different rules for personal and business information requests, and Mr P's GDPR request relates to T's account. My role is to decide whether Barclays has acted fairly and reasonably taking into consideration the relevant rules, and on that basis, I can't say Barclays has done anything wrong. I also recognise Mr P has disputed that Barclays contacted T for information, however, I want to reassure him that I have seen copies of the letters the bank said it sent. But as Barclays has already accepted that it made an error and T had been engaging with its requests, I'm not persuaded that the letters have any significant relevance here.

I don't dispute there has been an impact to T, from the suspension of its account twice and the time Mr P spent trying to resolve the account issues. However, I need to make clear that we don't award compensation based on an hourly rate and I'm not persuaded this led to the level of inconvenience which T says they have incurred, given that I think it was reasonable for Barclays to undertake its KYC review and request information from T to complete this. I'm sorry to disappoint Mr P as I know he feels strongly about this matter but taking into account all the circumstances of T's complaint, I think £350 is fair compensation for the inconvenience caused. I say that as Barclays reactivated T's account reasonably quickly once Mr P had contacted it, and I haven't seen evidence of significant impact to T as a result.

My final decision

Barclays Bank UK Plc has already made an offer to pay £350 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays Bank UK Plc should pay £350 to T.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 12 February 2026.

Jenny Lomax
Ombudsman