

### **The complaint**

Mr S complains Barclays Bank UK PLC ("Barclays"):

- Erroneously opened a second bank account for his business and in doing so have breached data protection obligations given the account was opened without his knowledge, consent or for a lawful basis
- Closed his correct and original account and opened another account without his consent

Mr S says Barclays actions have caused him significant distress and inconvenience, and Barclays should pay substantively more compensation.

### **What happened**

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

In June 2025, Mr S opened a business account with Barclays. Subsequently, Mr S was sent confirmation and account credentials for that account. But later, Mr S was sent similar credentials by Barclays for a separate account. Mr S enquired about this and wasn't given much detail. Barclays then closed the first account which Mr S had wanted opening. Unhappy, Mr S complained.

Barclays upheld Mr S' complaint. In short, Barclays said its on-boarding team had opened the second account in error and then compounded this error by closing the correct and former account. Barclays apologised for its failings and paid Mr S £150 for the distress and inconvenience it had caused.

Mr S referred his complaint to this service. One of our Investigator's looked into it and recommended Barclays pay Mr S £250 – so £100 more for the distress and inconvenience its errors had caused based on the impact he had described. And that Barclays should repair Mr S' credit file.

Mr S didn't agree with what our Investigator said. In summary, Mr S reiterated that Barclays' errors were a breach of data protection law and contravened the FCA's (The Financial Conduct Authority) principles. And so, a more proportionate level of compensation should be awarded to him.

Barclays also didn't agree with what our Investigator said. Barclays added that no further credit searches were carried out more so than the one needed to open the original account, and so there isn't any adverse impact to Mr S' credit file. Barclays also said the opening of the second account took place near the original one, and Mr S didn't use the account for two months from opening. So, an award above and over £150 isn't warranted.

As there was no agreement, this 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.

Having done so, I have decided to uphold this complaint. I'll explain why.

What isn't in doubt is that Barclays made two errors: opening a second account and then closing the correct account. Given Barclays got things wrong here, which incorporates its obligations to FCA principles, the question I must answer here is what I think is fair redress. In other words, what I think Barclays must do to put things right.

Mr S says that the errors caused him significant distress and inconvenience. And disrupted his business. Beyond Mr S' testimony I haven't seen persuasive nor compelling evidence that justifies me considering a higher level of compensation. Mr S didn't use either account for two months' from inception and he hasn't showed his business activity was impacted adversely and/or to an extent I need to consider consequential financial loss. Its worth noting too that Mr S would always have had use of a business bank account.

Mr S has said his data has been processed in a way he didn't agree to, and that this is a significant data breach. However, I don't think the impact here to Mr S is that significant given he had originally given Barclays his data to open an account. And the opening of a second account in error didn't substantively cause him detriment to the extent further compensation should be awarded.

After carefully weighing this up, and referring to our approach to such awards, I'm satisfied £250 is at the upper end of what I think is fair and reasonable. Had Barclays not compounded its error and not provided poor communication about what went wrong initially, I would likely agree £150 was fair.

I'm satisfied that Barclays' actions haven't adversely impacted Mr S' credit file.

## **My final decision**

For the reasons above, I have decided to uphold this complaint. Barclays Bank UK PLC must now pay Mr S a further £100 compensation on top of the £150 it says has already been paid. If that £150 hasn't been paid, Barclays will need to pay Mr S £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 January 2026.

**Ketan Nagla  
Ombudsman**