

complaint

Mr and Mrs H complain about how Barclays Bank Plc treated them when they were depositing money to help their son get a mortgage.

background

Mr and Mrs H wanted to open a 'Helpful Start Account' with Barclays. This involved depositing £26,700 which Barclays would hold a legal charge over as security against the mortgage it was offering their son and his partner.

During the application process Barclays gave Mr and Mrs H conflicting information about whether their deposit would be covered by the Financial Services Compensation Scheme (FSCS). They said this worried them to the extent they considered not going through with the deposit.

When the time came to open the account there were further problems. Due to account details being transcribed incorrectly by Barclays, the funds didn't appear in Mr and Mrs H's account when they should have. When they queried this Barclays told them they might have been scammed and that they'd lost their money.

After their son's mortgage broker followed this up the next day, the error was discovered and Mr and Mrs H's money deposited in their account. They complained about the stress and worry the experience had caused them, mentioning that Barclays had appeared to put their account at risk by sending their details including their account number in an email. Barclays apologised and offered Mr and Mrs H £300 to say sorry.

Our investigator thought Barclays's offer fairly compensated them for the trouble they'd been caused. But Mr and Mrs H disagreed, and asked for an ombudsman to make a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Everyone agrees Barclays has made mistakes here. But I don't think these mistakes have caused, or are likely to cause Mr and Mrs H any financial loss. And I think its offer of £300 is fair in light of the distress and inconvenience Mr and Mrs H were caused by its errors. I'll explain why.

Most of the correspondence Barclays sent Mr and Mrs H about their account confirmed their money would be covered by the FSCS. But the welcome letter they received said the opposite. I appreciate the protection the FSCS provides would have been important for Mr and Mrs H's peace of mind when depositing a large amount of money. But ultimately their deposit was covered by the scheme. And this was reflected in everything Barclays told them about the account apart from one letter. While it may have taken Barclays some time to send a corrected letter, when Mr and Mrs H asked about it in branch they were quickly reassured their deposit would be covered.

Mr and Mrs H have expressed concern about Barclays sending an email with their account details. It's beyond the scope of this service to comment on the way Barclays complies with its obligations under the Data Protection Act 1998. Those issues would be more appropriately directed to the Information Commissioner's Office. But I can consider what impact Barclays's actions have had on Mr and Mrs H. And here there doesn't seem to have been any material impact. There's no suggestion Mr and Mrs H's details have been given to any third parties or that anyone's had unauthorised access to their account.

Finally, Mr and Mrs H's main concern is about Barclays using the wrong account details meaning their money went missing for about a day. And that by telling them their funds may have been lost, Barclays caused them a lot of stress and worry as this was a lot of money to them.

I agree this would have been very upsetting to Mr and Mrs H, and that it wouldn't have happened but for Barclays's mistake. I don't underestimate their strength of feeling about the matter and I've thought carefully about what Barclays should do to put things right. Taking everything into account, I think Barclays's offer of £300 is fair and reasonable compensation for their distress.

Mr and Mrs H have said Barclays offered their son and his partner a larger sum in compensation. But I'm not going to comment on what it offered someone else, and it's not our approach to compare awards. I have to decide, based on the specific circumstances of this case, what's fair compensation for Mr and Mrs H. And for the reasons I've given I think Barclays has made a fair offer to Mr and Mrs H.

my final decision

My final decision is that I think it's fair and reasonable for Barclays Bank Plc to pay Mr and Mrs H £300. It should do so, if it hasn't done already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 18 December 2017.

Luke Gordon
ombudsman