

complaint

Mr and Mrs J complain that Barclays Bank Plc put Mr J through defective security checks when he was trying to make a transfer from their account. They also complain that they have been subjected to other administrative failings, causing them to be unable to access their accounts.

background

Mr J called Barclays to make a telephone transfer from the joint account he holds with Mrs J. Barclays said Mr J had to answer some questions as part of a security check, which he agreed to do.

Mr J failed the security check, which meant that the payment could not go through. Barclays suggested Mr J should go into a branch and make the transaction in person, which Mr J says was inconvenient for him in his circumstances.

During the call, Mr J raised a complaint with Barclays about the questions he had been asked. Mr J said that his responses to the questions – which all related to his family and to his previous addresses – had been correct, and so Barclays must hold incorrect information on its system.

That same evening, Mr J tried to access his account through telephone banking but discovered that this facility had been suspended. He says Barclays had not warned him this would happen, and that he was significantly inconvenienced because he regularly deals in stock market funds and was prevented from doing that.

Mrs J says she found she was locked out of telephone banking on their joint account, which also prevented her from being able to check the balances on her sole accounts.

Mr J contacted Barclays the next day to complain about these matters. After considering Mr and Mrs J's complaint, Barclays paid them £50 as an apology for the problems they had experienced. Mr and Mrs J remained dissatisfied and brought their complaint to this service. Following our involvement, Barclays offered £100 in relation to its failure to tell Mr and Mrs J that their telephone banking facility had been suspended.

An adjudicator investigated the complaint, including listening to the recording of the call in which Mr J was taken through the security checks. In the adjudicator's view, Mr J had clearly given his consent to Barclays to access his credit file. The adjudicator also felt that it was not unreasonable for Barclays to ask questions based on Mr J's credit file, to reduce the risk of fraud.

The adjudicator noted that access to Mr and Mrs J's telephone banking had been suspended for 24 hours, and that Barclays had accepted this was done without Mr and Mrs J being told. He was satisfied that this impacted on Mr and Mrs J, as they used their facility frequently. From his consideration of the evidence, the adjudicator also concluded that Barclays had wrongly closed down parts of Mr and Mrs J's complaint in the mistaken belief that they were duplicates.

Given the overall effect of these failings, the adjudicator recommended that Barclays should pay Mr and Mrs J £250 in addition to the £50 it had already paid them and should send them a letter of apology.

Mr and Mrs J did not agree with the adjudicator's conclusions and said, broadly and in summary:

- The recommended compensation does not go far enough. Mr J is unwilling to check what data is held about him by the credit reference agency, as he feels it should be for Barclays to satisfy him about that.
- For the future, they would like some assurance that security procedures are correct and will not use information from the credit file to verify answers.
- Not enough account has been taken of the fact that the accounts were frozen for 24 hours. This affected Mr J badly, and he has not dealt stock market funds for some months.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

In terms of the type of security questions Barclays asked of Mr J, I do not consider that using information from Mr J's credit file to check his answers was inherently unfair to him. Barclays asked Mr J's permission to access the information and I accept that this was intended to minimise the risk of fraud. As the adjudicator has already explained to Mr and Mrs J, I have no power to make a general direction in relation to how Barclays must conduct its security checks.

That said, it is clear that Barclays got some things wrong here. In particular, it did not tell Mr and Mrs J that it was temporarily suspending their telephone banking, and did not administer their complaints correctly. I accept that this all caused Mr and Mrs J a fair degree of inconvenience and worry, particularly as they use telephone banking a lot. I consider they are entitled to appropriate compensation for that.

Mr J has asked for £1,000. But I am not satisfied that they have been caused loss or the degree of trouble and upset that would warrant compensation of that amount. Overall, I consider that the adjudicator's recommendation is proportionate and fair.

It is open to Mr and Mrs J to check their credit files and make sure that any information held on them is accurate and up to date. As the credit reference agencies that hold these files are separate companies from Barclays, and registration of information is made to them from a number of different sources, this is not something that Barclays can do on their behalf.

my final decision

My final decision is that I uphold this complaint in part and I direct Barclays Bank Plc to pay Mr and Mrs J £250 and send them a letter of apology.

Jane Hingston

ombudsman