

complaint

Mrs E is unhappy that Barclays Bank PLC prevented access to her funds and closed her four bank accounts. She'd like compensation to recognise the impact their actions.

background

Mrs E had four bank accounts with Barclays. On the 5 September 2018 Barclays restricted Mrs E's access to her accounts following notification from another bank, I'll call N, that Mrs E received fraudulent funds of £1,100.

On the 11 October 2018 Barclays wrote to Mrs E to inform her that they'd be closing her bank accounts with immediate notice. Barclays continued to withhold the release of Mrs E funds totalling almost £120,000 and also loaded a fraud prevention marker to the Credit Industry Fraud Advisory Service (CIFAS).

Mrs E wasn't happy so complained to Barclays. Barclays said they'd acted in line with the terms of conditions of her account when closing it and wouldn't release her funds until satisfactory Proof of entitlement was provided.

As Mrs E didn't agree with Barclays response she complained to our service.

On looking at Mrs E's complaint our investigator thought that Barclays needed to do more. She thought Barclays didn't have sufficient evidence to justify the withholding of Mrs E's funds or the loading of the CIFAS marker and should return the funds plus 8% interest from the date of the account restriction to the date of repayment. Initially she thought that Barclays should pay Mrs E £800 but following further evidence from Mrs E our investigator concluded that £1,000 was fairer compensation to recognise the impact of Barclays' actions.

Barclays agreed to our investigator's recommendations and on the 26 April 2019 they confirmed that all of Mrs E's accounts were reopened. Barclays returned Mrs E funds minus the fraudulent funds which were sent back to the victim of the scam.

Mrs E accepted the majority of our investigator's view but felt that the level of compensation offered, £1,000, wasn't sufficient. Mrs E felt that the impact on her – causing significant difficulties at work, paying her rent and missing a holiday - led to a high level of distress and anxiety.

As Mrs E didn't agree it's been passed to me for 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. And in doing so I've come to the same conclusion as our investigator for broadly the same reasons.

Both Barclays and Mrs E have agreed on the complaint points regarding the fairness of Mrs E's account closures, the releasing of her funds and the loading of the CIFAS marker. So I won't address these areas. Instead I'll be looking at the level of compensation I think is appropriate in this case.

In doing so I've considered the impact of Barclays' actions on Mrs E. And I'm in no doubt this has been substantial. I've seen evidence that Mrs E was signed off sick for an extensive period of time – which I'm satisfied was directly related to Barclays' actions – and had difficulties in maintaining her rent and payments for her disabled son's care. I don't think it's unreasonable to conclude that Mrs E suffered significant distress from the lack of access to her funds. And was likely embarrassed by the situation it led to her at her work. I appreciate that Mrs E's thinks the level of compensation she should be awarded is higher. But having considered the overall impact of Barclays' actions I'm satisfied that the amount recommended by our investigator, £1,000, is fair recognition of this.

In conclusion I think Barclays should pay Mrs E £1,000 compensation.

my final decision

My Final Decision is I direct Barclays Bank PLC to:

- Pay Mrs E £1,000 in compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 20 May 2020.

Jeff Burch
ombudsman