

complaint

Mr S is unhappy with the customer service he's received from Barclays Bank Plc after a fraudulent account was set up in his name.

background

Earlier this month I issued my provisional conclusions setting out this complaint and why I thought it would be fair for Barclays to increase its compensation to Mr S.

I've attached a copy of my provisional decision below, which forms part of this final decision. I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Barclays said it agreed with my provisional decision and was willing to offer an extra £100 compensation to Mr S.

Mr S was disappointed with my recommendation. He didn't agree that a further £100 was enough to take into account the two extra visits he'd made to branch, the additional time he'd spent on the phone and the stress and frustration he'd experienced. He added that I hadn't explained how I had arrived at the figure.

my findings

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

It's clear Mr S thinks Barclays hasn't provided the level of customer service he is entitled to expect. And I agree with him. As I said in my provisional decision, through no fault of his own Mr S ended up in a situation where the account facilities that he'd previously had no longer worked. I fully accept that having to keep contacting Barclays about the same thing and going into branch on more than one occasion would be irritating.

But my awards of compensation aren't intended to fine or punish Barclays when things go wrong. They are intended to be a way for the bank to offer a gesture to go some way to towards recognising the emotional and practical impact the mistakes made have had on its customer.

Mr S asked me to explain how I arrived at the figure. There isn't a set award that gives a prescribed amount for each time a problem occurs. I look at the impact on the customer. Sometimes I won't award any compensation at all, even when things have gone wrong.

When deciding how much further to award in this case, I looked at everything that's happened alongside what Mr S said about how these things affected him.

Mr S didn't lose out financially as a result of the ongoing problems with his app. But I could see that he'd spent further time on the matter and that it has caused him frustration. So I felt a further £100 was appropriate to reflect that.

The level of further award that I felt was appropriate was in no way intended as a discourtesy to Mr S. I realise Mr S feels that he should get more, but I still think an extra £100 is appropriate and a fair way to put remaining matters right. So I don't agree that it would be fair and reasonable to ask Barclays to further increase its compensation to Mr S.

my final decision

My final decision is that Barclays Bank Plc should now pay Mr S the additional £100 compensation I recommended for the further trouble he was put to when restoring his app.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 March 2018.

Claire Marsh
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mr S is unhappy with the customer service he's received from Barclays Bank Plc after a fraudulent account was set up in his name.

background

In September 2017, Mr S received a new account card that he wasn't expecting. He was concerned and called Barclays to find out more about it. He had to speak to two different people, was kept on hold for a long time and was transferred between departments.

When Barclays investigated, it discovered the account had been fraudulently opened in Mr S's name. It closed it, removed the account from Mr S's credit file and made a protective registration to a fraud prevention database. It also blocked Mr S's access to his online banking as a precaution.

Mr S called back as he was still concerned about the fraudulent application. He wanted to know more about how the account had been applied for. He was kept on hold and wasn't told about the long wait to speak to someone in the fraud team. So he had to call back again.

Then Mr S discovered that he could no longer log into his mobile banking app. He had to make five calls and explain the situation to five different people until he was able to speak to someone that was able to help. That advisor tried to assist and spoke to someone in the digital team, who suggested that Mr S should go into branch. Mr S says that he went into branch and was there for a long time. The branch visit didn't resolve the problems with his mobile banking app. Mr S asked Barclays to issue a final response to his concerns.

Barclays issued its final response on 26 October 2017. It offered Mr S £450.00 to compensate him for the inconvenience he'd been caused and £50 to cover his call costs. It said Mr S needed to provide photographic identification in branch to re-instate his account services.

Mr S complained to us. He thought it was unfair that he couldn't use mobile banking when he'd had access to it for years previously. He explained that he wasn't able to provide any photographic documents because his passport had expired and he holds a paper driving licence.

The complaint was considered by two of our investigators. The first investigator said that Barclays' apology, its compensation offer and the preventive measures it put into place were enough to make up for the trouble and upset caused. She liaised with Barclays to agree a way for Mr S to be able to verify his identity.

Mr S remained in contact with Barclays. He told us that he'd spent another hour in branch as well as more time on the phone to try and get his app to work. He explained that he'd uninstalled and reinstalled it, put in all of his details again and tried a new PIN but still couldn't fix the problem. The app said Mr S's account was closed when that wasn't the case.

Another one of our investigators took over the case. He listened to recordings of all of the phone calls Mr S has made to Barclays. And he noted that the issues with Mr S's mobile app were eventually resolved in mid- December 2017. He thought the compensation Barclays had already offered in its final response was fair.

Mr S didn't agree that Barclays' offer went far enough and asked for an ombudsman to review matters. He pointed out that the final response left matters outstanding and that it took a further two months before he could access his mobile banking again, including further visits to the branch, which caused him additional stress and frustration. So he didn't feel that Barclays' offer was a fair reflection of the time and effort he'd had to put in.

my provisional findings

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 can entirely understand Mr S's strength of feeling about all that's happened. Whilst it's fortunate that the fraudulent account was spotted before any real harm was caused, this was still an unsettling experience for Mr S. He was concerned about how someone had been able to open a new account in his name without his knowledge. Barclays has explained that it's not always possible for it to discuss the full details of its investigations into how fraudulent activity happened. But I think Barclays acted fairly by adding Mr S's details onto the national fraud alert scheme for additional protection.

Had things been sorted out promptly after Barclays issued its final response letter, I would've agreed that the steps that it took at that point were enough to put things right. But I can't overlook that it was almost two months later before Mr S's mobile banking worked again, despite Mr S's efforts in the interim. So I don't agree with what our investigators said about Barclays' offer being reasonable in all the circumstances.

I asked Barclays to tell me more about what was wrong with the app and why it took such a long time to fix. Barclays wasn't able to say definitively why the app stopped working. But it felt that it was most likely connected to a marker being applied when the fraud claim was raised which needed to be removed.

It's not always possible to identify why something has gone wrong, but as Mr S had used the app without any problems before the fraudulent application happened, I agree that it seems most likely that the problem was connected to restrictions that Barclays had placed on Mr S's profile.

This means that through no fault of his own, Mr S ended up in a situation where account facilities that he'd previously had no longer worked. And it's clear that Mr S experienced ongoing inconvenience and frustration as a result of no-one being able to work out why the problem with his mobile banking was continuing.

I've listened to 14 recordings of phone calls that Mr S has had with Barclays since the fraudulent account card arrived. It's clear that he's been caused a great deal of frustration over an extended period. From what I've heard, I think that Barclays failed to provide the level of service Mr S was entitled to expect and which Barclays itself would have expected to provide.

Barclays has suggested that the problem with the app might've been sorted out sooner if Mr S had stayed on the phone with its digital banking helpdesk for longer than he did. But as Barclays doesn't know for sure what had caused the problem with the app, I don't think I can be as sure as I would need to be that the technical team would've been able to resolve the issue on the phone there and then. And by this point, Mr S had been trying in vain to try and fix the problem for longer than was fair. He'd been into branch on more than one occasion and made numerous phone calls.

Having looked carefully at what both sides have told me, it's clear to me that Mr S has had to do a lot of the running to try and get his app fixed and that the situation continued even after Barclays had investigated. Mr S had to make other arrangements to pay his credit card bill during this time and had to take time away from work to visit the branch. So I think it would be fair for Barclays to increase its offer to Mr S to recognise the ongoing practical difficulties he's experienced when trying to restore his app.

Having said that, I anticipate that the level of further compensation that I think would be appropriate falls short of what Mr S may feel Barclays should pay. But our awards aren't meant to be fines or punishments. From what I've seen so far, I'm minded to think that additional £100 compensation would be a fair way to recognise the impact the ongoing problems with the app caused him.

my provisional decision

My provisional decision – subject to any further comments I receive from Mr S or Barclays by 19 February 2018 – is that I propose to uphold this complaint. I intend to order Barclays Bank Plc to pay Mr S a further £100 compensation in addition to the compensation it has already offered.

Claire Marsh
ombudsman