

complaint

Mrs S and Ms S complain Barclays Bank Plc ("Barclays") blocked and then closed their account without explanation.

background

Barclays upheld the complaint accepting they'd made errors in their handling of this situation. They offered £150 compensation. And later told us this payment was to cover the incorrect decision being made to close the account, any service issues experienced and the length of time Mrs S and Ms S hadn't had access to funds, although they'd not stated that in their final response letter.

Our investigator didn't think it was reasonable for Barclays to have blocked the account and to have confiscated the money in it as the payments into the account seemed to be in keeping with the usual account activity. And he thought what Barclays had offered to do to put things right didn't go far enough. He directed Barclays to refund the £12 overdraft fee charged on 5 February 2018, to pay to Mrs S the cost of the flights overseas £461.18 and to pay compensation of £300.

Mrs S and Ms S agreed with the view but would also have liked an apology from Barclays. Barclays didn't agree with the view. They said they were prepared to pay a total of £362 in compensation – a further £200 in addition to the £150 already offered - and £12 in respect of the overdraft fees charged in February 2018. Barclays felt they shouldn't be responsible for paying for Mrs S's flights to access money in her overseas account for a number of reasons:

- Mrs S paid for the flights therefore she must've had access to some funds;
- She'd used the sum of money on flights rather than general expenses;
- She could've transferred funds from her overseas account to a trusted friend or relative in the UK; and
- She could've withdrawn funds from an ATM using her overseas card.

my 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've come to the conclusion this complaint should be upheld. I'll explain my reasons.

The investigator has given a full summary of the background to this complaint in the letter giving his opinion. I won't repeat them here as the facts aren't in dispute. The remaining issue I have to decide is whether the compensation now offered by Barclays is fair and reasonable.

It seems to me there's no dispute the overdraft fees of £12 should be refunded. Barclays wrongly removed all funds from the account on 15 December 2017. Despite reversing their decision to close the account and remove the blocks on 23 December 2017 funds didn't return to the account until 3 January 2018 but the account went into overdraft as Barclays continued to pay the standing orders and direct debits.

I think Mrs S and Ms S were placed in a difficult and worrying situation. The mistake happened in the last few working days before the Christmas break. Mrs S is of pensionable age. She had no other bank account in UK and the cards to operate her overseas accounts were stored in a safe deposit box overseas. Barclays say it was her choice to pay for the

airfare and she could've used the funds differently for general expenses but I'm not persuaded that's the case for a number of reasons. Mrs S was able to use the debit card for her overseas account to buy the flight using an online electronic money ("e-money") payment transfer system as it was already linked to her account with that e money payment provider. But that sort of e money payment isn't something that can be used readily on the high street at day to day retailers, nor to pay household bills or access cash. So I'm not persuaded she would have been able to fund day to day spending on essentials via the e money provider. Nor could she withdraw from an ATM.

I'm not satisfied Barclays suggestion of transferring money to a third party from her overseas account in the remaining working days before the Christmas break was a safe or realistic solution here. There were the practical difficulties Mrs S has told us of in accessing her card for her overseas account. She couldn't reasonably have known how long it would take to resolve this situation and had a limited number of working days in which she could access those other funds.

Mrs S told us when Barclays said the account was blocked and the funds removed there was no suggestion or assurance this might be repaid. She said if there had been she wouldn't have travelled. I've seen nothing from Barclays to show they told Mrs S otherwise. Barclays own records suggest Mrs S made 19 visits to the branch and 1 call to try and resolve this issue. But despite this Barclays weren't able to give her accurate information. And Barclays accept they failed to order Mrs S a new card and PIN at the time they removed the blocks. So whilst the money was returned to the account on 3 January 2018, in real terms, Mrs S was hampered from fully using the account until some time after 10 January 2018 when this was actioned.

I appreciate that in certain situations banks aren't able to divulge information to customers when an account is under review or investigation. But in this case Barclays decided to close the account and remove the funds by 15 December 2017. Although both parties refer to Mrs S being promised a letter of explanation at that time one had never been produced. And from everything I've seen the decision of the 23 December 2017 to reverse the blocks and closure was only communicated when Mrs S attended the branch again on 3 January 2018 and the account wasn't fully functioning until some time later.

Overall I think the original compensation offered by Barclays wasn't enough. I consider the proposal they've now made of a further £200 - so £350 in total - is more representative of the distress and inconvenience Mrs S and Ms S have suffered. It's the sort of award I'd have made had Barclays not offered it. And, for the reasons I've already given, I think the bank should reimburse Mrs S for the airfare of £416.18 to travel overseas to access her account there to withdraw cash and repay the £12 overdraft fee.

my final decision

My final decision is that I require Barclays Bank Plc to

- Refund the £12 overdraft fee charges on 5 February 2018 to the account.
- Pay Mrs S £461.18 for her airfare to access her account overseas.
- Pay £350 compensation to Mrs S and Ms S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Ms S to accept or reject my decision before 5 August 2018.

Annabel O'Sullivan
ombudsman