

complaint

Mrs G complains Barclays Bank Plc closed her account and hasn't explained why. She also complains that Barclays unfairly placed a Credit Industry Fraud Avoidance System (CIFAS) marker against her name. And it didn't allow her access to the money in her account. She wants Barclays to compensate her for the distress and inconvenience this caused.

background

In October 2017, Barclays blocked and closed Mrs G's account after a cheque for £8,000 was deposited into the account. Barclays also recorded information with CIFAS.

Mrs G contacted Barclays to explain that she'd she been asked to pay the cheque into her account by a relative who was buying and selling clothes. And she asked Barclays to review the reason it closed her account. Barclays didn't agree to reopen Mrs G's account. And it didn't remove the CIFAS marker. Mrs G then had to use another account she had with a different bank.

On 27 October 2017, Mrs G went into a branch to try and withdraw the remaining money from her account. Barclays told Mrs G she needed to show proof of entitlement to the money in her account. Mrs G visited a branch again on 4 November 2017 and took copies of her payslip and a benefit letter. But Barclays told her she needed to put her request to access her funds in writing. So Mrs G went away and came back again later that day.

Mrs G says, this caused her inconvenience and upset because she took a day off work to try and sort things out. And she had to make more than one trip to the bank. Barclays accepted it provided Mrs G poor service. And that it misadvised Mrs G about what she needed to do to access the money in her account. So it offered her £200 compensation. Mrs G didn't accept this offer.

In January 2018, Mrs G's new bank closed her account. This was partly due to the CIFAS marker. So Mrs G contacted Barclays again and provided the same information she'd given Barclays in October 2016 to try and get the marker removed. Barclays looked at the information again and agreed to remove the CIFAS marker. The CIFAS marker was removed in January 2018.

Mrs G says, because her new bank closed her account she couldn't access money to feed her young child. She's explained that this was very distressing. She's also said that the marker had a negative impact on her credit history. So she brought her complaint to us.

An investigator looked into Mrs G's complaint. She didn't think Barclays had done anything wrong when it blocked, reviewed and closed Mrs G's account. She thought Barclays' offer of £200 compensation for its poor service was fair and reasonable. But she thought Barclays was unfair when it applied the CIFAS marker. So she said Barclays should pay Mrs G an additional £500 compensation for the distress and inconvenience this caused.

Barclays agreed with what the investigator said. Mrs G didn't. She feels Barclays should do more to put things right. She says £700 isn't enough to reflect the amount of stress, anxiety and financial difficulties she's suffered. As no agreement has been reached the case has come to me to decide.

my findings

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

I'm sorry to hear of the difficulties Mrs G's encountered. And, I can appreciate what a frustrating and upsetting situation this was for her.

There's no dispute Barclays made an error here. And it's rightly corrected Mrs G's credit record. And again rightly it's offered to pay her compensation for the upset she's suffered. The issue I've to decide is whether it's done enough to deal with Mrs G's complaint.

I've seen Mrs G's response to the investigator's opinion that she'd like more compensation. Mrs G has written comprehensively about the impact of the CIFAS marker being recorded. I also note what Mrs G says about how inconvenient and time consuming it's been to sort this matter out and to have her other bank account closed. And she's said she was without access to any money for three weeks until she was able to open a new account.

I note that Barclays has now concluded that Mrs G was simply caught up in a buyer/seller dispute, and has removed the CIFAS marker. It is correct that it should have done so.

Mrs G explained to Barclays in October 2017 that the cheque paid into her account was to pay for clothing stock for a relatives business. Mrs G gave the same information to Barclays in January 2018. She didn't provide any new information in January. And I've not seen any evidence that her explanation was any different to the one she provided Barclays initially. So the CIFAS marker unnecessarily continued to impact Mrs G for nearly 4 months.

From what Mrs G's said I don't doubt that the marker recorded by Barclays has impacted on her greatly. And the bank should pay compensation to her for not reviewing the information she provided sooner and for incorrectly applying the CIFAS marker. So I think £500 compensation is fair and reasonable. This reflects the substantial impact of the matter on her.

closure of account

A bank is entitled to close an account with a customer just as a customer may close his account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of Mrs G's account confirm Barclays can close the account immediately under certain circumstances. I believe, considering what happened in this case, it's fair and reasonable Barclays took the action it did. And I'm satisfied Barclays has complied with the terms and conditions of the account.

I know Mrs G is frustrated that she hasn't been given a proper explanation why Barclays closed her account. But Barclays isn't obliged to give her an explanation. And whilst I acknowledge Mrs G's frustrations with the situation relating to her account, I can see no basis on which I might make an award against Barclays given that I don't think Barclays failed to properly follow its own procedures when it closed Mrs G's account.

my final decision

My decision is that I uphold Mrs G complaint in part and order Barclays Bank Plc to pay Mrs G a total of £700 for the distress and inconvenience caused when it gave her wrong information about how to access the remaining money in her account. And when it applied a CIFAS marker against her name.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 23 April 2018.

Sharon Kerrison
ombudsman