

## **The complaint**

A company, which I'll refer to as "K" complains that Barclays Bank UK PLC changed one of its policies with no warning and no explanation, resulting in considerable inconvenience to K.

K is represented in this complaint by its director, Mr C.

## **What happened**

For many years, when K received payments in cash, it would keep the cash to use as petty cash, and would write a cheque to itself so that the payment was reflected in its accounts.

Barclays changed its policy and stopped accepting cheques by post which debited and credited the same account. In October 2022 Barclays' postal credit department returned a cheque and wrote to K explaining that this was because it debited and credited the same account.

Mr C phoned Barclays and pointed out that K had been writing itself cheques right up until the previous month. Mr C was unhappy about the time that he was kept waiting on the phone, and dissatisfied that although he was told he'd receive a call back, he was sent a letter instead.

Mr C complained to Barclays and made several follow-up calls and received several holding letters in response to the complaint. Barclays hadn't sent a final response to the complaint by the deadline. And at the end of December 2022, it wrote to Mr C to say that it was sorry that it was taking longer than it should to give a final response to the complaint. It said it expected to be able to resolve the complaint soon, but explained that he had a right to take the matter to this service. Mr C raised a complaint with us on K's behalf a couple of days later.

One of our investigators considered K's complaint, but didn't think it should be upheld. In summary, he explained that Barclays was entitled to change its policies. He thought Barclays could have handled things better. But while he accepted that the situation had been frustrating for Mr C, he could only consider the impact on K, as the account holder. And since a company can't feel distress or frustration, he didn't think Barclays needed to do anything further to resolve the complaint.

Mr C, on behalf of K, didn't agree with the investigator's view, so the complaint's been passed to me.

## **What I've decided – and why**

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 reached the same conclusion as the investigator, and for similar reasons.

Mr C says K has had to restructure its accounting procedures, and a lot of company time has been needed to resolve the issue. I don't doubt that, due to the way K had used cheques to itself to deal with cash receipts, the impact of Barclays' change in policy on K is likely to have been greater than on some other customers. The change meant that K had to adapt its accounting procedures. That will undoubtedly have been inconvenient for K. But Barclays was entitled to make a commercial decision to change its policy on accepting cheques debiting and crediting the same account. So I can't say that the inconvenience arose from anything Barclays did wrong.

I accept that it would have been helpful to K if Barclays had given prior warning of the change, but K would have needed to make the adjustments to its procedures even if Barclays had given it advance warning of the change.

Mr C has commented that K's accounts team couldn't carry on with its daily tasks due to Barclays not responding. I understand that the letter Barclays sent K in October 2022, explaining that it hadn't processed the cheque because it couldn't debit and credit the same account, will have come as a surprise to K. But it was clear in what it said. And although it didn't explain further, I think it would have been safe to assume that the option was no longer available.

I realise that Mr C would like to know more about why Barclays changed its policy, but it has no obligation to explain the reason.

As the investigator explained, the complainant in this case is the account holder - K, a company, and while company directors can feel frustration or distress, the company itself can't. However, I can, in principle, require compensation to be paid for inconvenience caused to a company.

Mr C says he was kept on hold for some time when he first contacted Barclays about this issue. He considers the attitude of the member of staff who spoke to him to have been poor, and he says that Barclays didn't set up a complaint when he first raised the issue, so he had to phone again. All this took time which he could have spent the time carrying out other activities for K. Mr C says that caused K inconvenience, and I acknowledge that.

Nevertheless, a certain level of occasional frustration and minor annoyance can be expected in day-to-day dealings with a financial business. To award compensation, I'd need to conclude that the impact of the business's mistake went above that level. In this case, while I acknowledge that Mr C being kept on hold caused some inconvenience to K, I don't consider the inconvenience to be enough that I can reasonably require Barclays to pay compensation for it.

Mr C has also complained that once the complaint was set up, he made several phone calls over the following two months to chase it up. I can understand that this would have been frustrating. However, as the investigator has explained, we don't have power to look into a complaint about a business's complaint handling.

Mr C has asked why Barclays referred him to this service if that's the case. First, there are some aspects of K's complaint that we can consider, such as the complaint about the withdrawal of the facility to pay in cheques debiting and crediting the same account, and the way Barclays handled the withdrawal. Secondly, the bank is obliged to refer a complaint to us, because it's for us to decide whether a complaint is one we can consider. So it was appropriate that Barclays referred K to us.

I'm sorry to disappoint Mr C. I know he feels very strongly about the complaint. But for the reasons I've set out, I don't find that I can fairly require Barclays to pay K compensation or take any other action.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 22 September 2023.

Juliet Collins  
**Ombudsman**