

The complaint

Mr T complains that Barclays Bank UK PLC registered a deceased marker on his customer profile incorrectly.

What happened

Mr T completed a lost account application form online to search for any accounts that may exist for his late father. Barclays responded to say they could not locate any lost accounts (although they did locate an account closed in 2021), but they applied a deceased marker on Mr T's customer profile which froze all of his Barclays current accounts and his credit card with a company in Barclays wider group. He was unable to access his application (app). Mr T says that this error led to direct debits being cancelled, payments being missed, and his credit file being affected and showing a deceased marker. His credit limit with his credit card dramatically reduced. Mr T had incorrectly put his details on the form where his late father's details should have been. Mr T made a complaint to Barclays.

Barclays partially upheld Mr T's complaint and offered him £50 compensation. They said the reason his profile was marked as deceased was because of the form he completed incorrectly regarding lost accounts. They said the marker was removed on 2 August 2023. Barclays said when Mr T called them regarding his app not working, the call handler failed to let him know about the marker on the account. When Mr T rang them again to log a complaint, the call was cut off, so he had to call them a further time to log the complaint. They said the marker was not placed as a result of a bank error. Mr T brought his complaint to our service.

Our investigator thought the £50 compensation offer was fair. He said Barclays applied the marker to Mr T's account in line with their process, and they removed it once they were told otherwise. Mr T asked for an ombudsman to review his complaint.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

Mr T has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I'd like to explain to Mr T that it is not within this service's remit to tell a business how they should run their bereavement procedures, such as when they should register a deceased marker or how they should be notified of a deceased customer. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Barclays to make changes to their policies and procedures, if necessary.

Mr T has highlighted that his credit card limit has reduced drastically. His credit card is held in Barclays wider group, but by a different entity than Barclays, so I'm unable to look into

what happened as part of this complaint. But Barclays did offer to get the comments from the separate company regarding the reduction of the credit limit and them not being willing to reinstate the credit limit despite an error occurring. They told Barclays that they were unable to reinstate the previous credit limit due to a non-Barclays account reporting two missed payments. They were unable to tell Barclays which account this relates to, and they said that this relates to data that was reporting in mid-October.

Mr T has already made a separate complaint to the credit card company about the reduction of his credit limit – and they have provided their final response to that complaint which Mr T has forwarded us. So if he wants us to look into the merits of this complaint, he will need to raise a separate complaint with our service for us to look into this. But Mr T will need to act fast as he would usually have six months to bring his complaint to our service after they had issued their final response (although I can't see that the credit card company gave Mr T referral rights to our service on their letter). But this will need to be investigated separately to this complaint.

It's not in question that Mr T completed the lost account form incorrectly. He input his own details instead of his late father's details. So it appeared that he had passed away on 5 September 2019, and not his late father, as it looked like his late father had completed the form. I'm not persuaded that Barclays should have realised that the form was completed incorrectly initially, as the date of birth for both the form filler and the potential lost account holder aren't entered on the form (only for the potential lost account holder). It would be possible that a father could inform a company of his son's date of death and to see if he had any lost accounts.

So when Barclays received the form, and this showed the potential lost account holder (incorrectly being Mr T here, due to how the form was completed) had died, then Barclays acted in line with their processes to try and secure Mr T's accounts. They would do this to prevent any funds being misused or withdrawn inappropriately. While typically they would be notified of an account holders death directly, for example through their online form, a branch, over the phone, or by post, their data privacy policy does show that they can also hold information about Mr T from other sources and how they will use this information. So I can't say that Barclays shouldn't act upon information they receive from something such as a lost account form. And they followed their procedures here.

But while Barclays have followed their policies and procedures, there are times where a strict application of their policies may lead to an unfair outcome for their customer. And I'm persuaded that this has happened here. And I'm also persuaded there were signs which Barclays should have realised that there was likely an error on the form, and Mr T hadn't actually passed away – even if it isn't Barclays policy to complete these types of checks on every bereavement notification.

A direct debit would tend to be inactive after 12 months of not being collected. Based on the form which said Mr T's date of death was 5 September 2019, Barclays say they cancelled five direct debits as they were still active in June 2023. So I'm persuaded that it would be unusual for someone to be paying from a sole account for water bills, a regular direct debit to a building society, and for a credit card in Barclays wider group, nearly four years after a death. The account also had regular credits matching the customer's name. So there were clear signs that should have given Barclays an indication that Mr T hadn't passed away.

But one of the biggest indicators that Mr T hadn't passed away – and something I'm persuaded that Barclays should have looked closer at, is that their dormancy team located a closed account for Mr T (not his late father) with a zero balance dated 15 July 2021. For Mr T to have a closed account on 15 July 2021, this would be a good indicator for Barclays to have realised that Mr T hadn't passed away on 5 September 2019. And

therefore, action should have been taken when this was recognised, which might have prevented some of the impact of what happened to Mr T.

I've considered that Barclays dormancy team might have thought the relevant death certificate etc would have been provided at closure if they thought that the account was closed due to Mr T's death. But if Barclays would have had evidence of Mr T's death, then I'm not persuaded they would have closed just one of his accounts, as they would have closed his bank account, currency accounts and passed the information onto the credit card provider for these accounts to be closed also, instead of letting them continue for an extra two years where funds could have been misused or withdrawn inappropriately, therefore the only logical explanation is that Mr T himself closed the account they located, and to do so, he couldn't have died in 2019.

So even though Barclays strictly applied their processes, I do think this led to an unfair outcome for Mr T, and I also think they should have realised that he hadn't passed away, and they should have investigated this further as there was more than one sign that he hadn't passed away.

Due to Barclays taking the action they did, Mr T was unaware that there were cancelled direct debits until these companies contacted him. And by the time they did so Mr T had missed two mortgage payments, had missed payments on his credit card and also needed to communicate with these companies to not only explain the situation (which he wasn't aware of at that point), but to also try and get his credit file amended. This would have been very distressing for Mr T to find out what had happened, and he was inconvenienced by having to take action to fix the situation before Barclays attempted to do this when Mr T had rung them to find out what had happened. But Mr T had experienced distress and inconvenience on the phone to Barclays also.

So I've considered what would be a fair outcome for this complaint. It does appear that the information on Mr T's credit file is largely correct now. I've looked at Mr T's credit file and I can see that there are two unclassified payments on his Barclays account (when the deceased marker was on his account). But these are neutral markers, and they shouldn't affect his credit score. There are multiple other accounts showing at times as unclassified, which further reiterates that these haven't affected his credit score. One credit agency does show a query marker on his file, but this appears to be something that Mr T has raised, and not Barclays.

Mr T has told us that his credit score decreased due to what has happened, and only one of the three credit agencies shows the same score as before all of this happened. But as the data from Barclays appears to be correct now, then I'm unable to ask Barclays to do anything in relation to his credit score from the other credit agencies. This will be out of Barclays control with how credit agencies interpret his current data.

Barclays offered Mr T £50 due to the distress and inconvenience he had on the phone to them. But I'm persuaded that Barclays should pay Mr T higher compensation due to the impact their actions had on him, which may have been avoidable altogether if they had realised Mr T closed an account in July 2021, therefore he couldn't have died in 2019 as the lost form said, but as I've already mentioned, there are times where a strict application of their policies may lead to an unfair outcome for their customer, and I'm satisfied this is one of these times.

This led to Mr T having his credit file affected, missed payments for credit agreements, having to contact multiple companies and rectify the situation (and when his account was frozen with a deceased indicator), which will have taken a lot of time and effort to sort out, causing him distress and inconvenience. So I'm persuaded that a total of £300 would be

proportionate for Barclays to pay Mr T for what happened. So it follows I intend to ask Barclays to put things right for Mr T.”

I invited both parties to let me have any further submissions before I reached a final decision. Both parties accepted the provisional decision.

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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask Barclays Bank UK PLC to pay Mr T a total of £300 compensation for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. Barclays Bank UK PLC should pay Mr T a total of £300 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 25 March 2024.

Gregory Sloanes
Ombudsman