

The complaint

Mr H complains Barclays Bank UK PLC (“Barclays”) caused significant delay in giving him access to, and in returning, his funds after a court’s Asset Freezing Order (“AFO”) had been set-aside. Mr H says this has caused him substantive financial loss, distress and inconvenience.

What happened

In February 2021, a UK court issued an AFO instructing Barclays to seize and hold in one of its sundry accounts, around £8,100 from Mr H’s current account, and around £140,000 from his savings account.

Mr H appointed and instructed solicitors to help him with regaining his funds and dealing with the relevant government authority who were investigating the matter – HMRC. Mr H’s legal representatives corresponded with Barclays and said that it had been informed by HMRC on 23 February 2022 that the court order had been set-aside.

The solicitors also said in this correspondence that Barclays had written to it on 23 March 2022 to confirm the funds amounting to around £148,100 were returned to Mr H’s account.

Mr H says he wasn’t told that his funds had been returned to his accounts in this way. And only realised when his statement, sent to him in late April 2022, showed this.

Barclays say it received confirmation the AFO had been set-aside on 23 March 2022 after which it returned the funds to Mr H’s accounts. Mr H’s solicitors have sent an email which shows Barclays’ team that handles court orders sent them an email on this date explaining the funds had been returned, and that an email has also been sent to Mr H to confirm this.

On 28 April 2022, Barclays removed Mr H’s funds from his accounts and placed them back into one of its sundry accounts. Barclays say it did this as it intended to close Mr H’s accounts at that point, but this wasn’t processed correctly.

Mr H made several calls, and says he visited a Barclays branch in the UK to recover his funds. But Barclays were unable to locate them or give any meaningful updates.

Unhappy with the poor customer service, and as he was unable to get access to his funds, Mr H complained in May 2022 to Barclays.

In June 2022, in response to its email, Barclays’ team that handles court orders informed Mr H’s solicitors that he would need to go not one of its branches with ID and a bank card for the account he wants the funds transferred to. In July 2022, Barclays wrote to Mr H and informed him it had decided to close his accounts with immediate effect.

On 1 August 2022, in response to its email, Barclays’ court orders team once again informed Mr H’s legal representatives that he would need to go not one of its branches with ID and a bank card for where he wants the funds transferred to.

Following several letters that it was still looking into the matter, Barclays sent Mr H its final response in August 2022. In summary, it said:

- Barclays' level of service has not been acceptable
- The funds have now been made available to Mr H, and Barclays offered Mr H £100 for the distress and inconvenience its actions have caused him

Mr H was still unable to access his funds, so he complained again to Barclays. In its final response in November 2022, Barclays upheld Mr H's complaint. In summary, Barclays said:

- Its sorry Mr H has had to complain about his funds which are being held in one of its sundry accounts
- It can see from its internal notes Mr H has been attempting to withdraw them for quite a while. Mr H will be pleased to know that details of the sundry account have now been located
- As Mr H is abroad, he has two options to withdraw the funds. He can either visit a Barclays branch the next time he is in the UK with two forms of ID. Or he could email Barclays with a covering letter explaining why he is sending an email and give bank account details for where the funds can be transferred. If Mr H chooses the latter option, he will also need to send two forms of certified ID

Mr H was issued a cheque by Barclays on 25 November 2022 which he deposited into another external UK bank account. The funds remain there. Unhappy with Barclays' actions, Mr H referred his complaint to this service.

Mr H explained that:

- He called Barclays around 20 times from October 2021 up until January 2022 to find out where his funds were. He was promised that someone would find out and call him back, but this never materialised
- On 14 April 2022, he received a Barclays statement showing his funds had been returned. He went to a branch a few days later and was told the account held no funds. He was told that the Head Office had taken the funds and weren't able to locate them
- Later, on 12 September 2022, after being told in August 2022 by Barclays Court Order team he could retrieve his funds, the branch told him they couldn't locate his funds. He says the Head Office had lost the funds and are trying to locate them. Mr H says he was told he could send Barclays a letter setting out the bank details of where he wants his money transferred to
- His legal fees to get his funds returned by HMRC cost him £40,000 and he had to pay £7,000 for an expert witness required by a UK court
- Given the country he's living in, he needed to convert his funds in sterling to US dollars. The exchange rate fell by 11% from when he should've been given the funds back in February 2022 until he was in November 2022. This represents a loss of around £16,293
- He had to buy business class tickets to travel to the UK, costing him £16,000 to deal with the matter

- Barclays should compensate Mr H's losses by paying him £79,293
- This matter has impacted his mental health given how long it has taken to retrieve his funds
- Mr H told Barclays he needed this money as he has started to borrow from friends and family for living costs

Mr H's complaint was then allocated to one of our Investigator's. Mr H appointed someone to represent him. To keep matters simple, I'll continue to refer to Mr H in my decision.

In addition to previously made points, in summary Mr H explained:

- £200 compensation as offered by Barclays wasn't sufficient
- He didn't see a doctor about his mental health
- He no longer has copies of the airfare tickets
- He flew to the UK despite being told he could email Barclays because he was told a notary was required and that would've taken two weeks. So to speed things up he came to the UK
- Mr H hasn't been a resident of the UK since 2005 and he needed the funds released to repay a personal loan he had taken out in his current country of residence
- He had to take out a personal loan of USD 200,000 from a family friend to avoid court action
- Mr H hasn't transferred the funds from his UK account till date because of the low USD/Sterling exchange rate

Mr H also sent in further information to support his claims that Barclays' actions had caused him financial loss. This included:

- Translated documents relating to a property sale
- A letter from travel agents showing Mr H travelled between 14 April 2022 to 16 April 2022 to the UK at a cost of USD 5,818; and then again between 24 November 2022 until 26 November 2022 at a cost of USD 6,266
- A handwritten loan agreement dated 1 June 2022 at an interest rate of 15% for USD 200,000

Our Investigator then sent both parties their recommendations. In summary, they found:

- Barclays should have given Mr H access to his funds much sooner. But Barclays isn't responsible for all the losses Mr H has claimed as he hasn't provided enough evidence these were direct losses
- In August 2021, the AFO was set-aside. Mr H and his legal representatives contacted Barclays. But Barclays had not received official notice from HMRC nor the courts about this
- On 23 February 2022, an email provided by Mr H shows HMRC had contacted Barclays in February 2022 regarding the AFO being set-aside. But Barclays were

waiting from the correct letter of authority from Mr H's lawyer before it could do anything further. Barclays weren't doing anything wrong by waiting for this

- On 24 February 2022, Mr H's lawyer emailed Barclays with the relevant authority and emails confirming the AFO was set aside. It was at this stage that Barclays had all the relevant evidence required to release Mr H's balance. But this email was left unanswered by Barclays, despite several chasers being sent to it. Barclays hasn't been able to explain why it didn't act on the email from 24 February 2022 promptly
- After releasing the funds in March 2022, Barclays removed them on 28 April 2022. Barclays hasn't provided any evidence to show why it didn't release Mr H's funds, despite closing the accounts later. Barclays has made an error here
- Later Barclays had difficulties in locating Mr H's funds. It finally located the funds on 1 November 2022 and offered Mr H a further £100 for the distress and inconvenience caused to him. Mr H was also given the option to email his ID and account details
- So Barclays are responsible for causing two delays in releasing the funds to Mr H. Once between 24 February 2022 until 23 March 2022 and then from 28 April 2022 until 25 November 2022

Our Investigator then explained what the impact was of Barclays' failings, and what fair compensation should be to put things right. In summary, they found:

- Mr H was given access to his funds on 23 March 2022. It's unusual he didn't move his funds immediately to pay the debt he owed to his family friend. Mr H's dispute with a third-party was ongoing since mid-2021 – whilst the AFO was in place. And Barclays was entitled to hold the funds until February 2022
- Mr H has sent a handwritten loan agreement for USD 200,000. This is signed in the summer of 2022, given the debt he owed was in 2021 it's unclear why he took it out then. Importantly, Mr H could've used his funds in March 2022, but he didn't. Mr H hasn't given strong evidence of taking out this loan and it isn't evidence enough to prove the reason it was taken out
- The debt Mr H says he owed was USD 200,000, but he had around £148,100 in his Barclays accounts. So he didn't have enough funds in any event to cover his debt. This meant he would always have had to borrow funds. So Barclays isn't responsible for Mr H taking out a personal loan. As he had the opportunity to utilise his funds in March 2022, Barclays doesn't need to compensate him
- Mr H wants compensation for financial loss related to the change in exchange rates. We can't consider hypothetical loss – it needs to have occurred. Mr H claims he wants to exchange his funds into USD – but we can't assume he was going to do this for sure. And he had the opportunity to exchange these funds in March 2022 and chose not to. Mr H has since kept his funds in a UK account since they were released to him. So Barclays doesn't need to compensate Mr H for this
- They can't see why Mr H flew to the UK between 14 April 2022 to 16 April 2022 given the accounts were operational at that time with Barclays. So it's unreasonable for Barclays to pay compensation for the cost of these flights
- It's unclear why Mr H chose to travel between 24 November 2022 and 26 November 2022 when Barclays had offered the option to email it his ID and details of bank account, he wanted the money sent to. Barclays did this as they were

aware he was abroad and wanted to offer a solution to prevent him from travelling. So this was Mr H's choice, and it would be unreasonable for Barclays to compensate him for the cost of these flights

- To put things right, our Investigator said Barclays needed to:
 - Pay 8% simple interest on £8,118.81 between 24 February 2022 until 23 March 2022, and between 28 April 2022 until 25 November 2022
 - Pay the savings account interest rate for £140,003.98 between 24 February 2022 until 23 March 2022, and between 28 April 2022 until 25 November 2022
 - Pay £400, which includes Barclays overall offer of £200, for the distress and inconvenience it caused Mr H

Barclays agreed with what our Investigator said. Mr H, and his representative did not. Some of the key points they made in response are:

- Mr H doesn't agree he had access to his funds in March and April 2022. He wasn't given any notice that his accounts had been unblocked and the funds released into them. The first he knew is when he received the bank statement for April 2022 which showed his funds were in his account, but after going into his local branch he found they were not. If they were available, he would've used them and has therefore lost out on a better exchange rate at that time
- In August 2022 Mr H emailed Barclays his ID's. But it wanted the ID's and signed transfer letter notarised at the UK embassy. This would've taken three weeks to do, so that's why Mr H travelled to the UK
- There is effectively no banking industry in the country Mr H is residing in. Because of the issues in that country, the economy is based predominantly on cash transactions and very few loans are given by financial firms and applications can take many months. So Mr H borrowed funds from a family friend, given it was cheaper and much quicker to do
- Mr H has shown he had a salary in the country he was living in – so he was able to meet his loan payments
- Mr H flew to the UK in April 2022 to check his accounts as he wasn't getting a clear answer on the phone with Barclays' staff. Mr H is accustomed to flying business class due to his occupation. He should be compensated for at least one of his flight costs
- Mr H agrees with the 8% simple interest compensation on his current account funds. But the rate of the savings account should apply from February 2022 up until November 2022 and it should be at a rate of 8% because if he had access, he would have utilised the funds to repay his loan

Our Investigator reiterated their points and maintained they had reached a fair outcome for Mr H's complaint. As Mr H didn't agree, his complaint has now been passed to me to decide.

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 decided to uphold Mr H's complaint in part. I'll explain why.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr H, his representative and Barclays have said before reaching my decision.

Mr H hasn't complained about Barclays closing his accounts. There is also no dispute in relation to Barclays complying with the AFO. This complaint therefore relates to when Barclays should have released the funds to Mr H, and its actions after that point.

Funds release

Barclays say it only received sufficient notice that Mr H's funds could be released to him on 23 March 2022. To support this, it has sent me a screenshot of its internal systems that show an entry on this date saying the AFO has now been set-aside and the funds have been released into Mr H's accounts.

Mr H has sent in several emails which show chains of correspondence between his legal representative at the time, the HMRC and Barclays. He has provided an email which shows that in November 2021 HMRC decided to withdraw its '*application for forfeiture*' – and that it will contact Mr H's banks to release any funds to him.

On 23 February 2022, Mr H's solicitor's emailed HMRC and said that following a call the week before, it wanted to know if Barclays had been notified the funds could be released to Mr H. HMRC responded on the same day that its officer had notified Mr H's banks.

An email from Mr H's solicitor to Mr H on 24 February 2022 shows that he was informed Barclays needed a letter of authority from his solicitors that they had authority to act on his accounts, which they did not have. And without this letter Barclays couldn't do anything. It also said the quickest way to resolve the matter was for Mr H to call them from one of its branches. The email also says the letter of authority was attached for Mr H to sign.

I've also seen a signed copy of the letter of authority on Mr H's solicitor's letterhead signed by him and dated 24 February 2022. This is directed at Barclays and authorises Mr H's solicitors to act on his behalf. Mr H has sent an email chain which shows his solicitors then forwarded this authority letter to the court team at Barclays. On 1, 7, 17 March 2022 Mr H's solicitors chased Barclays for a response as it had heard nothing since its email on 24 February 2022.

Barclays responded on 23 March 2022 and said the AFO has now been actioned – and funds have been returned to Mr H's accounts.

Barclays hasn't given me any information to show when it received information from either HMRC or any other party as to when the AFO was set-aside. HMRC's email of 23 February 2022, as referenced above, says its officer had notified Mr H's banks. Barclays needed to see written authority from Mr H instructing his solicitors to act on his behalf with

Barclays. I find that this is a reasonable request. This letter was sent on 24 February 2022.

Barclays accepted our Investigator's findings that it should have released the funds to Mr H's accounts on this date in February 2022. And given what the HMRC email says, and likely correspondence from Mr H's solicitors that the AFO had been set-aside, I'm satisfied Barclays should have acted more expeditiously – and so, the funds made available to Mr H on 24 February 2022.

Barclays has sent me its internal notes, screenshots and account statements which show the funds were released into Mr H's accounts on 23 March 2022. Mr H says he wasn't told about this and when he realised after seeing his April 2022 statement, he went into his local branch a few days later but was told the funds weren't in the accounts.

Having carefully considered the information Barclays has sent me, I'm satisfied that the funds were released from one of its sundry accounts to Mr H's accounts on 23 March 2022. I also note, as I referenced above, that Mr H's solicitors email shows that the Barclays team handling court orders sent them an email on 23 March 2022 explaining the funds had been returned - and that an email has also been sent to Mr H to confirm this. So, I think Mr H was most likely aware his funds were released to him in March 2022.

Barclays has said it intended to close Mr H's accounts on 28 April 2022, and because of this moved the funds back into one of its sundry accounts. But it failed to process the closure properly – only doing so in July 2022. I note the funds were taken out of Mr H's account at this point.

Mr H should have been able to access his funds from 24 February 2022 and was only able to do so between 23 March 2022 until 27 April 2022 - given they were once again removed on 28 April 2022.

Mr H has explained that he faced significant challenges in trying to locate and retrieve his funds after that point – often being told Barclays couldn't locate them. This is a significant failing on Barclays' part which it accepts and has also apologised for the poor customer service.

So, to be clear, Barclays needs to compensate Mr H for being without access to his funds from:

- 24 February 2022 up until 23 March 2022; and
- 28 April 2022 up until they were released to him on 25 November 2022

Fair compensation

Mr H had £8,118.81 in a current account, and £140,003.98 in his Barclays savings account. Its likely Mr H would've used funds in his current account for everyday costs, so I think he should be paid 8% simple interest on them for the periods he's been deprived of their use.

Mr H says that he would've used all his funds, including those in the savings account to exchange into US dollars to then send to his account in the country he is, and had been, living in. To support this, Mr H has sent me documents related to a property sale for which he needed the funds for, and a handwritten loan agreement he says he took out from a family friend in the sum of USD 200,000. Mr H has also explained why borrowing money in this way was the most viable option for him.

Firstly, I've already said that Barclays had made funds available to Mr H on 23 March 2022,

and from the evidence I've seen he most likely knew that was the case at that point. So I question why he didn't utilise those funds at that point given he'd taken out the loan in the summer of 2021. After all paying a loan off to a family friend at a rate of 15% interest would've been a more financially viable option.

I also can't place too much weight on a handwritten loan agreement in isolation. I note Mr H says this was a cash transaction given the issues over banking in his resident country. But given the loan was taken to fulfil a property transaction he was contractually obligated to; I'd expect to see official documents that it was completed given Mr H was able to acquire the funds he needed.

I also note that the translated notary documents Mr H has provided to show he was obligated to this property transaction show he was the seller of a property. A document dated 10 May 2021, which is signed and sealed by an attorney, shows the property sale didn't go through and the buyer, a third-party, was requesting termination of the contract and a return of 10% of the amounts paid. This matter was open to negotiations. Another translated document dated 3 May 2021, from a government body, shows the third-party was unable to complete on the purchase and that funds he had paid should be returned to him.

Lastly, a third translated document signed by an attorney on 26 July 2021 shows Mr H agreed to sell a property for a USD equivalent price of 600,000 to this third-party. And that the buyer had so far paid Mr H around USD 400,000.

It appears that Mr H was able to retain 10% of what the buyer had paid him and had to return the other funds to the buyer as per his contractual agreement.

This all took place in 2021, when Barclays was implementing the AFO by withholding Mr H's funds. And I note he says he borrowed USD 200,000 around this time to meet his contractual obligations. If Mr H wanted to utilise his Barclays funds, he wouldn't have been able to do so until February 2022 when they ought to have been released to him.

I've already said that Mr H had access to his funds from Barclays in March 2022, and he likely knew he did too. So I question, as I've alluded to before, why he didn't send the funds at that point to pay off his loan he'd taken in 2021 – after all he was being charged 15% interest. I also note Mr H has continued to keep the funds in a savings account in the UK. Mr H says he has done this due to the low exchange rate and thereby avoiding a material loss on his funds.

Exchange rates fluctuate and can be volatile – and this isn't something Barclays are responsible for. Mr H had the opportunity to use these funds in March 2022 when they were made available to him, albeit around a month later than Barclays should have. And once they were released, he chose to keep them in the UK. He's also said that he's able to service the personal loan from his income.

Taking this all into account, I'm persuaded Mr H has most likely opted to keep the funds in the UK when he could've utilised to help pay off most of his loan abroad. He says he doesn't want to because of the low exchange rate. This is his choice, and given he hasn't exchanged the funds, he hasn't suffered any material loss that I can fairly consider.

Having said that, I think Mr H would most likely have kept the funds in a savings account, given that's what he did with Barclays and is now doing with an external bank. Because of that, I'm satisfied Barclays ought to compensate Mr H by paying the saving account's interest rates for the periods I've said he was deprived of the funds.

Unfortunately Mr H doesn't have the tickets he used to fly to the UK and contemporaneous

records of what he paid for them. Because of this he has sent in a letter from the travel agents he used to show when he travelled, and how much it cost him. Even if I were to accept Barclays should pay the costs of these flights, I wouldn't expect it to pay for the additional costs of paying business class fares. I note Mr H says he was accustomed to flying in this way, but he chose to do this when he could've flown economy class.

The travel agents letter shows Mr H flew between 14 and 16 April 2022. But as I've already said, the funds were in his account at that point, so I don't think Barclays needs to pay any compensation for these flights. In passing, I also question how he was able to receive his statements dated 14 April 2022 and speak to the branch a few days later within the date range he says he flew to the UK.

Barclays had offered Mr H the opportunity to have his funds released by him sending ID and bank details in email. Mr H says this would've taken three weeks as he needed them notarised by the UK embassy. And he wanted to get this long-standing issue resolved – so he chose to come to the UK in person.

I haven't seen that Barclays asked Mr H to get his documents notarised or certified in this way. But even if I were to accept it did, Mr H chose to come to the UK in this way, so I don't think Barclays needs to compensate him for his airfare. In saying this I can appreciate that Barclays previous failings would have caused him great frustration, distress and inconvenience. But Barclays took reasonable steps in giving Mr H an option to prevent him from having to travel – something he chose not to do.

From what I've seen, Mr H has faced significant inconvenience and distress in trying to get his funds released to him when Barclays failed to close his account properly from April 2022. It took a further seven months for Mr H to get his funds. I've already said what Barclays needs to do in relation to the deprivation of funds. But I'm satisfied it also needs to compensate Mr H for the considerable distress and inconvenience he has suffered.

In reaching an award, I've considered that Mr H has made many calls which he has said is upwards of 30 if not 100 to Barclays. I also note that being told Barclays isn't able to locate the funds would have caused panic and anxiety. Having looked at this service's approach to compensation, I'm persuaded that £400 is fair compensation. This is inclusive of Barclays' offer of £200.

Mr H has also said that Barclays should compensate him for his legal fees. I don't agree with this as Mr H instructed them to help with the AFO and dealing with HMRC and the courts.

Putting things right

To put things right, Barclays must:

- Pay Mr H 8% simple annual interest on £8,118.81 between 24 February 2022 until 23 March 2022, and between 28 April 2022 until 25 November 2022*
- Pay Mr H the prevailing savings account interest rate(s) for £140,003.98 between 24 February 2022 until 23 March 2022, and between 28 April 2022 until 25 November 2022*
- Pay Mr H £400 compensation for the distress and inconvenience he's suffered

*If Barclays considers that it's required by HM Revenue & Customs to deduct tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I uphold this complaint in part. Barclays Bank UK PLC must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 January 2024.

Ketan Nagla
Ombudsman