

## **The complaint**

A company which I'll refer to as M complain about the way Barclays Bank UK PLC's chose to conduct their Know Your Customer (KYC) review.

In bringing this complaint, M is represented by its director who I'll refer to as Mr W

## **What happened**

The background to this complaint is well known to the parties so, I won't repeat it in detail.

Briefly:

- M had been a business customer of Barclays since 2016.
- In March 2022, as part of Barclays's KYC review, the bank wrote to M requesting the completion of certain forms so that it could update information it held in connection with M. Although Mr W did this, Barclays took no immediate action until December 2022 when they recommenced their review.
- Barclays said additional information was needed about M. And so, on 11 February 2023 Barclays wrote to M to that effect. It said there were matters that needed clarification and it had tried unsuccessfully to get in touch. Barclays explained that restrictions were still being placed on M's account and that it should contact the bank within 10 working days on the number given in the letter to update M's details. The bank said if it didn't hear from M, it may close its account.
- According to Barclays, although Mr W did contact it on 16 February 2023, he was unwilling to provide the information over the phone.
- On 17 and 25 February 2023 the bank sent chasing letters to M. Both letters requested a call back. And as before, the bank said if it didn't hear from M within the time scale given, it may give notice to close its account.
- But Mr W didn't think the way Barclays chose to handle the request for information was fair, and so, he complained to the bank. He said that rather than send text messages and letters inviting him to phone the bank with the information it needed, a better way to obtain that information would be to write to him setting out what the bank needed and he, in turn would respond in writing.
- He said in any event he tried many times to speak to the bank, but its call wait times were around two hours which is unacceptable. And furthermore, whilst he's aware a call back facility is available it is of no real value unless the bank returns the call the same day.

Barclays didn't think they'd done anything wrong: They said the KYC review is a process they carry out as part of their regulatory obligations as prescribed by the Financial Conduct Authority (FCA). In particular this is to demonstrate that the bank is aware who its customers are and that it's compliant with the Anti-Money Laundering (AML) laws and regulations. It said it needed further information from M because although its records showed it had previously received M's KYC details, nonetheless, after review, clarification of some of that information was required which its KYC team can only obtain by speaking directly with Mr W.

Barclays acknowledged call wait times might be high at times, but they recommended Mr W could call early in the morning at 9am as their phone lines are less busy or alternatively, he could use their call back facility if it's not possible for him to hold.

In their formal submission to us, and dealing with the question of needing to speak to Mr W rather than write to him for the information they required, Barclays told us that:

- The KYC checks are conducted for thousands of their customers, meaning it is not feasible to write out to individuals with specific requests. So, it's no part of their process to do so.
- Quite often when a customer provides information, this prompts the need for other information. That's why the bank offers the call back service if the customer can't hold on to speak to the KYC Team.

M's complaint remained unresolved, however, and so, on its behalf Mr W referred it to this service to look into. But he's since moved M's account to another bank.

Our investigator didn't uphold the complaint. She said that the evidence provided by Barclays demonstrated in the conduct of its KYC review that they needed to clarify certain information. Furthermore, it was the bank's process to ask customers to provide that further information by phone. And since the bank was following its process when it asked Mr W to provide the information it needed by phone, she didn't think the bank had done anything wrong by following that process.

M didn't accept the investigator's conclusions and on its behalf Mr W has asked for an ombudsman to review the complaint.

He said in summary that it should be noted that he attended a bank branch in an attempt to provide whatever information the bank needed. Moreover, not knowing what it might be he took with him M's audited accounts and his passport. But no one at the branch was able to assist him with whatever information the business banking arm of Barclays wanted from him.

### **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.

Where the evidence is incomplete or inconclusive (as indeed some of it is here) I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances. Having done so I agree with the investigator and for broadly the same reasons. I'll explain why:

I start by saying that since they are strictly regulated, banks in the UK are required to carry out certain actions in order to meet their legal and regulatory obligation. That involves

conducting ongoing checks and monitoring of new as well as existing relationships. Barclays chose to do this by way of the KYC review and to that extent I do not think they did anything wrong when they decided to conduct this review on M.

What is at the heart of this case is the way Barclays chose to carry out that review. In particular when it came to the method by which they chose to obtain additional information from M. Mr W believed Barclays should write to ask for the information they needed which he in turn would provide in writing.

But Banks are able to set their own procedures, including how they wish to conduct their KYC review. Barclays explained that when requesting additional information this can prompt a further request and clarification, and so this part of the process is best conducted by phone.

Although I note Mr W's preference for written requests, I don't think the bank's approach is an unreasonable one. So, in the circumstances, I wouldn't criticize it for its preference to use the phone.

I also note Mr W's testimony that he did attempt to call the bank but was unhappy about the call waiting times. And he says his visit to the bank's branch was equally unsuccessful.

I sympathise with Mr W. And in particular on the call wait times, the bank seems to acknowledge there could be a problem depending on the time the call is made.. But I balance that against the call back facility the bank has offered which in my opinion makes the process less rigid. And although I'm aware Mr W would wish to have the call back carried out on the same day I would not criticize the bank for being unable to provide that assurance. Overall therefore, in the circumstances of M's case I've not been persuaded it has been treated unfairly.

### **My final decision**

For the reasons explained above, my final decision is I do not uphold this complaint.

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

Asher Gordon  
**Ombudsman**