

## **The complaint**

Miss M complains that Barclays Bank UK PLC is withholding her money.

In bringing her complaint, Miss M is represented by her father. For ease, though, I'll refer to all actions as being those of Miss M.

## **What happened**

The background to this complaint is well-known to both parties. So, I haven't set it out in detail here. Instead, I've set out a summary of what I think are the key events.

Miss M held two accounts with Barclays: one Individual Savings Account (ISA), and a current account. In January 2023, Miss M received two large credits of £10,000 each to her ISA. Miss M says the money was from her parents, who had distributed money across her family.

Very soon after the money reached Miss M's ISA, Barclays blocked her access to it. The bank then contacted Miss M requesting information around the source of the money. It refers to this as a "proof of funds" request. Miss M responded with detail she thought appropriate, but she says she's heard nothing since.

Miss M did complain to Barclays in February 2023, but the bank didn't uphold her complaint. It said, in summary, that it was still reviewing the information Miss M had provided – but couldn't specify a timescale as to when this might be completed.

Unhappy with the response, Miss M contacted this Service. One of our Investigators reviewed what had happened and, based on the limited information available, he didn't think Barclays had acted fairly.

In brief, the Investigator said that Barclays hadn't shown why it still continued to hold the money – or that it had requested any further information from Miss M if that's what it required.

Instead, it appeared that nothing had progressed since Miss M responded to Barclays' initial request for proof of funds. Our Investigator contacted Barclays several times for more information, but nothing was forthcoming.

With all of that in mind, our Investigator upheld Miss M's complaint. He thought Barclays should return the money, pay 8% simple interest on the amount, and pay Miss M £200 for the distress and inconvenience caused.

Barclays replied to our Investigator's opinion and indicated that things were still under review. It asked for more time; our Investigator agreed and reiterated his request for further information. A few weeks later, the Investigator chased the bank. But, again, nothing was forthcoming. So, the Investigator passed Miss M's complaint to me – an Ombudsman at this Service.

I contacted Barclays on 28 September 2023, informally, to set out how I thought the complaint should be resolved. I said:

*“...From what I’ve seen, Miss M would like money returned to her that’s currently being held by Barclays. The money was sent to Miss M by her father; Barclays, though, blocked access to the money and ultimately closed Miss M’s accounts. This seems to be because of concerns around the source of the funds. It appears that Miss M did respond to Barclays’ request for information about the money, explaining that her father had some funds left over from a property which he subsequently distributed amongst his family.*

*As I understand it, nothing tangible has happened since Miss M responded to Barclays’ request for information – and the money is still being held. It’s unclear, from the information I have, if further information was/is required and, if so, whether it was or has been requested from Miss M.*

*[Investigator] has set out why he thinks Barclays has done something wrong. In summary, he’s said that Barclays hasn’t shown or explained why it’s continued to hold Miss M’s funds. [Investigator] requested information sufficient enough in detail to explain why the funds haven’t been returned.*

*Unfortunately, though, nothing has been forthcoming from you. So, given the lack of response to [Investigator]; I’ve spent some time reviewing the file, and I wanted to get in touch to let you know my current thoughts. To be clear, what I’ve set out here isn’t a formal decision – but it is my view of matters as an Ombudsman and, in the absence of any further evidence, any formal decision that I did construct would likely follow the same findings.*

*Simply put, as things stand, I’m inclined to agree with our Investigator. I say that because, from the information I have available, I don’t see there to be a plausible explanation or reason for Barclays to continue to hold Miss M’s money. She responded to the proof of funds information request, but nothing really seems to have progressed since that point. That doesn’t, in my view, seem fair or reasonable.*

*I’ll be clear that I’m not inferring there isn’t a reason why Barclays hasn’t released the money, plausible or otherwise. I certainly understand that checks are sometimes required, and that Barclays has legal and regulatory obligations to fulfil. Here, though, it’s simply the case that Barclays hasn’t told our Investigator what its reasoning is for still retaining the funds. So, in the absence of any evidence to the contrary, I don’t think I could determine that Barclays has acted fairly.*

*It follows that my view of the complaint, based on the information we currently hold, would be the same as [Investigator’s]. That being, Barclays should return the money and it should compensate Miss M £200 for the inconvenience caused. Barclays should also pay 8% simple interest on the amount to be returned, as our Investigator explained in his view.”*

I gave Barclays a deadline of 12 October to respond. I extended that deadline, at Barclays’ request, until 17 October and then again, for a third and final time, also at Barclays’ request, until 3 November in the hope things could be resolved informally. Barclays, though, still hasn’t responded.

I arranged for my initial findings to be passed to Miss M. She largely reiterated her previous points.

Given there's still no reply from Barclays – despite it now being over two months since I first asked Barclays for a response, and over a month beyond the latest deadline it asked for passing – I'm satisfied that it is now appropriate for me to proceed with my consideration of the complaint, as I have the power to do in accordance with DISP 3.5.14R of the FCA's Handbook.

### **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, without any further comment or information from Barclays, I see no reason to depart from what I set out when I contacted it on 28 September.

For completeness, my view of the complaint based on the evidence available before me is:

- Nothing distinguishable appears to have happened since Miss M responded to Barclays' proof of funds request. The bank's contact notes seem to suggest that further information was required from Miss M, but it's unclear if it was ever requested; and I've received no confirmation from the bank that it was or wasn't.
- The notes also appear to broadly suggest that Miss M did provide what she was asked for. Miss M has said there's been no further contact from Barclays.
- While I certainly appreciate Barclays has legal and regulatory obligations to fulfil, and that detailed checks are undoubtedly required on occasion, it remains that the bank must act fairly – and indeed be able to show that it acted fairly.
- Despite numerous requests from the Investigator and I, Barclays hasn't provided any valid explanation or supporting evidence for its actions in continuing to hold Miss M's money. In the absence of any such explanation or supporting evidence, it follows that I can't fairly conclude Barclays has acted reasonably here.
- With all of that in mind, I think Barclays should arrange to return the money as soon as possible and pay Miss M 8% simple interest on the full amount. Barclays should also pay Miss M £200 for the inconvenience it's caused.

I have noted Miss M's comments that "something more" should be done, on a much wider scale procedurally, to prevent situations like the one she's found herself in. So, I think it's important to clarify that this Service isn't the regulator. Our role isn't to "police" a financial business. That's the job of the Financial Conduct Authority (FCA). So, while I'm aware of just how unhappy Miss M is with Barclays' process, I must be clear that we have no power to tell a financial business how to operate – or indeed to change its internal processes and procedures.

Finally, returning to the specific circumstances of this complaint; it's been very disappointing to see deadlines repeatedly missed by Barclays. Those deadlines were set by this Service in an attempt to resolve things quickly and in accordance with the powers afforded to us. I'd also remind Barclays that it has certain obligations to comply with us and our investigations. Overall, I'm satisfied that ample time has been provided for Barclays to fully explain its position, but it simply hasn't done so.

So, to bring this complaint to an end, I require Barclays to:

- Arrange to return all of Miss M's money that it currently holds.
- Pay Miss M 8% simple interest on the full amount to be returned, calculated from the date it was first withheld from her to the date of repayment.
- Pay Miss M £200 compensation.

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

### **My final decision**

My final decision is that I uphold Miss M's complaint. Barclays Bank UK PLC should now put things right, as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 4 January 2024.

Simon Louth  
**Ombudsman**