

The complaint

Mr N is unhappy with the service he received from Barclays Bank UK PLC surrounding a transfer he wanted to make.

What happened

On 9 June 2023 Mr N attempted to instruct a transfer of £2,000 from his Barclays account to a currency exchange company. But the transfer was flagged by Barclays automated fraud prevention systems and Mr N was asked to call Barclays to discuss the instruction.

Mr N called Barclays as requested and explained that he was transferring the money to the currency exchange company in order that it would then be transferred by that company to his family overseas. The Barclays agent that Mr N spoke with had concerns about the payment and explained to Mr N that he would need to visit a Barclays branch to verify his identity for the payment to the currency exchange company to be released.

Mr N wasn't happy about this and felt that he was being discriminated against based on the country his family reside in. And he also wasn't happy what when he went into a Barclays branch as requested, he had to wait for over an hour before the payment to the currency exchange company was completed as he wanted. So, he raised a complaint.

Barclays responded to Mr N and said they were satisfied that their telephony agent had followed the correct process in referring him to branch. However, Barclays acknowledged that when Mr N had visited branch, he'd had to wait an unreasonable amount of time. Barclays apologised to Mr N for this and made a payment of £25 to him as compensation for any trouble or upset he'd incurred. Mr N wasn't satisfied with Barclays response and referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response that Barclays had issued to Mr N's complaint already represented a fair resolution to what had happened, and so they didn't uphold the complaint. Mr N remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Fraud prevention systems are used by financial institutions to flag instructed transfers that may be of concern. Indeed, it must be noted that financial institutions such as Barclays have an obligation to employ such systems to comply with banking regulations, which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means there will be times where legitimately requested transfers are flagged erroneously by the fraud prevention systems.

In this instance, Mr N's ultimate intention was to transfer money to his family overseas, and he instructed the transfer to the currency exchange company to facilitate that. But the instruction that Mr N gave to Barclays to do so was flagged by their automated fraud prevention systems for further checks. And given what I've explained above, I don't feel that this was unreasonable.

Barclays therefore asked Mr N to call them so that they could discuss the requested transfer with him. And it's important to note that had Mr N been able to answer Barclays questions about the transfer to their agent's satisfaction that Barclays would have released the transfer at that stage.

Unfortunately, Mr N couldn't answer Barclays questions about the transfer to their agent's satisfaction. Notably, Barclays' agent came to the understanding, upon speaking with Mr N, that Mr N didn't have an account with the currency exchange company and was wanting to transfer £2,000 to a generic company account after which the company would send money to the country in which his family resides and then hand it over to Mr N's family.

The scenario described above is highly unusual, and I don't feel that it was unreasonable for Barclays' agent to have been concerned about the understanding he developed about the transfer request through talking with Mr N. And Barclays' agent also notes that when he asked Mr N for further details about how the transfer would work, Mr N became angry and couldn't answer several of the questions being asked of him.

Given the above, I'm satisfied that it was reasonable for Barclays' agent to have concerns about whether Mr N might potentially have been in the process of being coerced or defrauded. These include both that Mr N didn't explain the transfer in a manner which Barclays' agent found to be coherent, and that Mr N became agitated when further questions were asked of him.

Because of this, in consideration of the caution that Barclays are expected to exercise in such circumstances, I don't feel that it was unreasonable or unfair that Mr N was asked to visit a Barclays branch and verify his identity – such that it could be confirmed that Mr N's request was coming entirely from himself and that he wasn't, for instance, being coerced – before Barclays were willing to release the payment.

Mr N did then visit a Barclays branch, and Barclays did then transfer the money to the currency exchange company as per his request. This was clearly inconvenient for Mr N. However, for the reasons explained above, I feel that this was an unfortunately necessary inconvenience, and I don't feel that it was unfair.

While Mr N was in branch, he had to wait for over an hour for his identity to be verified and the transfer completed. Barclays have acknowledged that this was an unreasonable amount of time for Mr N to have had to wait, and they've apologised to Mr N and made a payment of £25 compensation to him. I feel that this £25 paid to Mr N for the length of time he had to wait is fair here, and I can confirm that it's commensurate with what I might have instructed Barclays to have paid Mr N, had they not already done so.

In arriving at this position, I've considered the inconvenience and frustration incurred by Mr N as well as that Mr N visited the branch without an appointment and so would, in all likelihood, have had to have waited for a lesser amount of time in any eventuality. Meaning that the compensation is in consideration of the additional time that Mr N may have had to wait.

I've also considered the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And taking all these factors into account, I feel that £25 is a fair amount.

Finally, Mr N has said that he feels Barclays discriminated against him based on the country in which his family reside. I can understand why Mr N may feel this way. But I don't think that Barclays have acted unfairly in the manner that Mr N contends here. Rather, as explained, I feel that Barclays actions surrounding the transfer were fair and based on reasonable concerns. I hope that Mr N is reassured to know that someone impartial and independent has considered this aspect of his complaint.

I realise this won't be the outcome Mr N was wanting, but it follows that I won't be upholding this complaint or instructing Barclays to take any further action. I hope that Mr N will understand, given all that I've explained, why I've made the final decision that I have.

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 Mr N to accept or reject my decision before 2 February 2024.

Paul Cooper
Ombudsman