

The complaint

Mr K and Mrs K complain Barclays Bank UK PLC (Barclays) took over a month to carry out an instruction to close their currency account.

What happened

Mrs K says following Barclays' reinstatement of her and her husband's US dollar account, in late November 2022 she gave instructions to close this account and transfer the funds to her and her husband's joint sterling account. Although a deal was agreed at that time the transfer never happened and so Mrs K says she made other phone calls in November and December 2022 but again the closure of her US dollar account didn't happen, and the transfer failed to materialise.

Mrs K says without prior notice, finally the transfer of the US dollars into sterling was made into their joint sterling bank account on 29 December 2022, over a month from her original instructions. Mrs K says Barclays identified the funds on her joint account bank statement in her sole name, not the joint names and at no point contacted her that this was being done or what the rate of exchange was.

Mrs K says she had intended to deposit the funds in late November 2022 into Premium Savings bonds for her and her husband and her daughter and missed the draw for that month as a result, additionally Mrs K says she was also looking to put part of those funds into a bond with another provider but by the time the US dollar transfer was completed, the opportunity wasn't any longer available. Mrs K wants Barclays to provide a fuller explanation why the delay occurred and doesn't feel the level of compensation of £150 offered by Barclays goes far enough.

Barclays accepts it made mistakes in dealing with the closure of Mr K's and Mrs K's US dollar bank account and it should have dealt with this much sooner. Barclays says the reason for the delay was due to a restricting marker still being applied to the US dollar account which should have been removed after it was reactivated in October 2022 and have apologised for that and provided feedback to those concerned. Barclays says because the sterling amount Mr K and Mrs K received was higher than the previous amount quoted, there was no need to make up for any loss.

Barclays have recognised the time it took to put matters right and have paid Mr K and Mrs K £150 by way of apology.

Mr K and Mrs K weren't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says given the original exchange rate Mrs K was offered by Barclays in late November 2022, compared to the exchange rate her and her husband finally received at the end of December 2022 was greater by over £900, he couldn't see any financial loss was experienced.

The investigator felt from the transactions passing through Mr K 's and Mrs K's sterling bank account after the US dollar transfer had been completed, there was no evidence to suggest the investment into other sources was time critical as transfers weren't initiated until late January 2023 and February 2023 - so he couldn't safely say there was much lost income.

The investigator felt Barclays had explained the reason for the delays were more than likely because it had failed to remove a restrictive marker from the US dollar bank account when it was reactivated in mid-October 2022, and it accepted that was a mistake and apologised for that. The investigator didn't doubt this would have caused inconvenience and frustration however, he hadn't seen anything to suggest the funds were needed urgently or were time critical.

The investigator felt given there was no other financial loss here the £150 paid by Barclays was reasonable in recognition of the inconvenience this matter caused.

Mr K and Mrs K didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr K and Mrs K to have experienced poor service by Barclays when they tried to close their US dollar bank account. When looking at this complaint I will consider if Barclays have provided a full enough explanation why the transfer took so long and if it has adequately compensated Mr K and Mrs K for this matter.

Both parties have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything that's been said – I have.

Mr K's and Mrs K's complaint centres around the fact Barclays having reinstated their US dollar bank account, then took over a month to close it and transfer monies to their joint sterling bank account despite several requests for them to do so. Mrs K feels she has lost out on the opportunity to re-invest these monies at the end of November 2022 as she intended to reinvest these monies into both premium savings bonds and a three-year bond with another provider.

Mr K and Mrs K don't feel the compensation paid by Barclays of £150 is sufficient.

The first thing to say here is Barclays have accepted it made a mistake here when a restrictive account marker that should have been removed in mid-October 2022 wasn't. Barclays have apologised for this and have informed this service that this marker wouldn't have been readily visible to the front-line staff Mrs K interacted with, albeit that doesn't alter the fact it was the cause of the failure to close the account in late November 2022.

As regards to Mrs K's comments that the US dollar transfer into the joint bank account only referenced her name, I don't see that as being key to the complaint here, as what is important is those funds were credited to the joint account as requested.

While I understand Mrs K feels Barclays should have let her know when the transfer from US dollars took place, Barclays have said that as soon as it realised what was causing the problem, it wanted to deal with Mrs K's original instructions as soon as it possibly could - although perhaps it would have been better if this had been communicated to Mrs K at that time.

It's worth saying it's not my role to penalise or punish banks when a genuine mistake occurs, more that it apologises for that mistake, puts matters right and pays a proportionate level of redress – I'm satisfied on balance Barclays have done that here and I will go on to explain why.

So, in situations like this it's reasonable to consider putting consumers back into the same position they would have been in before the mistake occurred. I have taken this into consideration, but here Mr K and Mrs K benefitted financially by a sum of over £900, because the exchange rate moved in their favour between the time of her original instructions in late November 2022 and late December 2022, when the account was closed – so to place them back into the position they would have been in, would be a financial disadvantage to them both and that wouldn't be right here.

Mrs K says she was looking to invest £100,000 of those monies into premium savings bonds and has missed out on the monthly draw, but it's not possible for me to say with any certainty this would have resulted in any financial gain. Mrs K says she was looking to have also tied the remaining funds (of around £66,000 at that time) into a three- year bond with another provider.

But here again, I have no way of knowing that, as no evidence has been provided on any such investment. It's also fair to say if Mrs K had made such an investment at that time in late November 2022, from what we know now, those interest rates in all probability may not have been as favourable as those offered from late December 2022 onwards, as in all likelihood it's fair to say interest rates on savings products overall improved over this time.

It's also worth mentioning up until the US dollar account was reinstated, it had been many years since any activity on that account had taken place, as these monies as explained by Mrs K were intended for longer term purposes. So, with that in mind and the fact it was over a month after the US dollar account transfer took place before these monies were eventually re-invested by Mr K and Mrs K, it's difficult for me to say with any certainty there was a time critical period for these sums to be reinvested here.

Having said that, Barclays have made mistakes, but it has accepted that, apologised, provided feedback to the staff involved and paid £150 for the time it took to correct matters and on balance I am satisfied that is sufficient here, given there's no other financial loss to Mr K and Mrs K, arguably in fact they have benefitted financially as a result of the delay.

With that in mind, while Mr K and Mrs K will be disappointed with my decision, I won't be asking anymore of Barclays here.

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 K and Mrs K to accept or reject my decision before 24 October 2023.

Barry White

Ombudsman