

## **The complaint**

Ms A complains that Barclays Bank UK PLC ('Barclays') opened a second bank account for her without her consent and didn't tell her it would conduct a credit check. She says this has led to her being declined credit.

## **What happened**

On 4 April 2022, Ms A opened a basic bank account with Barclays but had problems using it. She attended a branch in order to deal with this situation, but was redirected to another branch for help.

During that branch visit, another account was opened for Ms A – she says without her permission. Barclays says that no specific details are available in relation to this, beyond the account opening agreement that was signed and reference to its usual account opening processes. It says that, in line with its usual processes, the staff member would read out standard information, including the fact that a credit check would be carried out.

Ms A says she thought she was signing something to confirm that her issue with her basic account/app had been dealt with and not an agreement to opening a new account. She says the member of staff only told her afterwards that she had a new account and that it was better. Ms A says she didn't want or need another account as the additional benefits weren't of any use to her and she held her main account elsewhere.

Ms A needed to apply for a new credit card to do a 0% balance transfer of some existing debt. However, her application was declined. She couldn't understand why because she thought her credit rating was excellent. So she tried again but the same thing happened.

Ms A checked her credit file and noticed Barclays had done a credit check for the second account that she hadn't wanted. She says it didn't tell her it would be conducting a credit check because had it done so, she wouldn't have agreed.

Ms A complained to the bank. While both accounts were closed, she maintained that the second credit check had led to her application for the 0% credit card being rejected, as it had been done immediately after opening the basic account. She believed that the overall situation on her credit file now in relation to these checks and declined credit card applications, was affecting her ability to get credit. She also referenced further consequences, such as, not being able to get a new mobile phone contract and move house.

Ms A wanted Barclays to put things right and compensate her for these problems.

Barclays investigated and offered Ms A £50 to reflect the inconvenience caused in attending two branches but it didn't think it had done anything wrong in opening the second account. Ms A also raised concerns that her accounts with Barclays were showing as dormant on her credit file when they should be closed. Barclays said the accounts were closed but in light of some service, it increased its offer of compensation to £100.

Our investigator thought that the evidence supported the position that Ms A had consented to opening an account during her branch visit, but that the credit check information might have been unclear. They recommended feedback be given but didn't think Barclays needed to do anymore.

Ms A did not agree and requested a decision. In doing so, she asked why anyone would need to have three accounts, which must support her complaint. She said Barclays should have got her consent to do a credit check and there was no evidence it had. She felt this had taken its toll.

### **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.

There has been a good deal of discussion during the investigation in relation to duplicate profiles being set up in relation to Ms A and her accounts. I can certainly see why this issue was explored, but it doesn't have any real impact upon the central issues here. The fundamental question is whether Barclays acted unfairly or unreasonably in opening an account for Ms A during her branch visit.

Ms A says that she didn't agree to opening an account. And of course, I wasn't present to witness what was said. So, I must consider what is more likely than not to have happened, based upon the evidence.

It is clear that the opening of a new account was discussed in the branch. Ms A mentions advantages to a new account. Barclays say that this led to Ms A being happy to proceed to the opening of an account. Ms A says that she refused and simply wanted her app access fixed.

I've considered the agreement which Ms A signed. While she says that she understood this to be in relation to her access to the app, I think that the two-page agreement is reasonably clear in what it means. It is headed with 'Our copy of your agreement with Barclays' before moving on to 'Our general terms and conditions'. On the second page, where Ms A signed, it says 'Applicant'. And it sets out that 'For joint accounts, both applicants must sign'. I think that, overall, it is clear that this is an agreement in relation to setting up an account. While I can't be sure of what was said to Ms A before she signed it, I think that the agreement she signed was reasonably clear. Given this, I can't say that it is more likely than not that something so misleading as to undermine that agreement was said by Barclays staff. I'm satisfied that Barclays is entitled to rely upon the agreement as demonstrating that Ms A consented to opening an account.

I've considered the credit check and the information Ms A has provided from the ICO. But I've also thought about the wider circumstances. Barclays says its process includes a step where this information is read out to the customer. Ms A says that this wasn't done, and she would never have agreed. I've no way of determining whether this was done or not. But what I've noted is that the agreement makes reference to sharing information with, and seeking information from, the credit reference agencies. The heading in relation to this is clear, and is only slightly above the section which Ms A signed. If any potential information on Ms A's credit file might have been of concern to her, I would have expected her to query it at this point, rather than signing the agreement. I'm also satisfied that most reasonable people with some experience of accounts understand that opening a facility will carry a check. So after weighing all of this up, there isn't enough for me to uphold this aspect of the complaint.

Ms A argues that a third account is of no use to her. I understand this position, and I'm satisfied that she may have made a mistake in opening it. But I can't say that Barclays acted unfairly or unreasonably during the process or else caused her to make that mistake.

In the circumstances, then, I am satisfied that the evidence does not support finding that Barclays acted unfairly or unreasonably in opening a bank account for Ms A during her branch visit. Barclays agreed some service had had shortcomings, for example, sending her to another branch was unreasonable. In the circumstances, I think that the sum of £100 it offered was a fair resolution.

Finally, as part of my review I have asked about the reporting status of the accounts in question. Based on the evidence I've seen, I'm satisfied that both accounts have been marked with an end date of September 2022, which should indicate to any prospective provider that these aren't open for use and are closed. Should any accounts have been reported as dormant, this type of status isn't a negative marker and so wouldn't have caused detriment.

### **My final decision**

Barclays Bank UK PLC made an offer to pay Ms A £100 to settle the complaint and I think this offer is fair in all the circumstances. It says it has already paid this sum, but in the event that it hasn't, I direct it to pay this to Ms A. I make no other award or direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 3 August 2023.

Sarita Taylor  
**Ombudsman**