

The complaint

A charity which I'll refer to as 'S' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

Mr T, who is a trustee of S, brings the complaint on its behalf.

What happened

S held a business bank account with Barclays which they took out originally in 1985.

S told us:

- They'd received threatening letters from the bank saying it would close their account if they didn't provide 'Know Your Customer' ('KYC') information.
- Barclays sent a chaser letter in December 2022, after Mr T had already provided the requested information. Mr T felt his reputation as a trustee had been affected as a result of this.
- Barclays' information request was unreasonable as it asked for information about trustees who weren't even controllers.
- Mr T had raised a complaint with Barclays which hadn't been properly investigated.
- Barclays wasn't responding to any contact about the KYC issue, so they didn't know how to stop their account being restricted.

Barclays told us:

- S had held an account with it for a significant period of time, and it had asked the charity for KYC information so it could update their account.
- It had sent letter requests to the charity, but these would have also been visible on their online banking. The letters said that if the information wasn't received as requested, it could restrict or close their account. This was so that it could comply with its KYC regulations.
- There had been a cross over between S speaking to it, and chaser letters being sent. It had apologised for this and closed the charity's complaint after explaining this to them.
- S had asked for their complaint to be re-opened, however they had already brought their complaint to this service so there was nothing further it could add at that point.
- It hadn't done anything wrong as it had acted in line with the customer agreement and although it may have caused S inconvenience, it needed the requested information to comply with its regulatory obligations.

Our investigator didn't recommend the complaint be upheld. She said that Barclays had regulatory obligations that it needed to meet, and it was able to restrict or close an account if this information wasn't provided. She also thought Barclays had been clear in its request and the consequences of not providing the requested information and that this wasn't poor service. She also noted Mr T's comments about the impact to his reputation as a trustee, but

said she hadn't seen evidence of any negative impact. And even if she had, she couldn't comment as this was S's complaint not Mr T's.

S didn't agree. They said that they had been trying to resolve the KYC issue with the bank but had continued to receive letters saying information was outstanding – several months after this had been provided. S also said Barclays hadn't responded to their complaints correctly or replied and they just wanted the matter resolved.

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've decided not to uphold it. At the heart of this complaint, it appears there was a misunderstanding about restrictions being applied to S's account and what was required to remove the restrictions. Firstly, I want to reassure S's trustee's that Barclays told this service on 24 February 2023 that there is no further information required from them. I apologise that this wasn't clearly communicated to S when our service initially received this information.

So I've reviewed the evidence from both parties to see if I think Barclays has treated S unfairly, but I don't think it has. Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. Even if a customer has had a relationship with the bank for many years (as S has), Barclays' may need to check from time to time that the information it holds for its customer is correct. And this can, at times, include requests for information that account holders may not deem necessary. However, it is a commercial decision which Barclays is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations.

S told us that Barclays sent them threatening letters. But I'm not persuaded that's the case. As the bank wasn't satisfied it could meet these regulatory obligations because it hadn't received the information it needed from S, it sent the charity firmly worded warnings that it would restrict their account if they didn't provide the requested information, which was in line with its terms and conditions. I think it's reasonable that Barclays wanted to clarify the information it held for the charity was correct and I don't think the letters were threatening, but factual in terms of the consequences of this information not being provided.

I recognise that Mr T is unhappy that the letter from Barclays of 30 December 2022 says that he hadn't been in touch with the bank, when he had. However, it appears that this was an automated generic letter which couldn't be amended, as Barclays case notes show that he'd contacted the bank, and was engaged in email correspondence with them at that time. It appears this was also the case with the letter of 7 February 2023. I can see that there was email correspondence between S and Barclays on 29 January 2023. However, it appears that the information provided by S was still being processed by the bank at the time these letters were sent. I acknowledge that receiving these letters would have been distressing for the trustees, but the bank was still in the process of reviewing the information provided by S at that time. I also think it's worth noting that the letters do acknowledge that information may have been provided already and be under review. So, I can't fairly say Barclays did anything wrong here.

S told us that they'd contacted the bank on several occasions but hadn't received a response. Whilst I have no reason to doubt what S has told me, I've seen a copy of the bank's contact notes which doesn't show that any calls were received. I can see that Mr T did email the agent dealing with S's KYC review on 29 January 2023 and it doesn't appear that he received a reply to this email. However, whilst I recognise that this would be frustrating for Mr T, it's not for me to fine or punish a business for making a mistake. And I

can see that the outstanding KYC review was completed shortly after – albeit the bank didn't make Mr T and S aware of this other than the letter of 7 February 2023 which said it may still be reviewing the information they'd provided.

S also told us that they contacted Barclays on several occasions to discuss S's complaint, but they didn't receive a response. S said that the bank had closed down the complaint without investigating it. I'm sorry to disappoint S, but complaint handling isn't an activity that falls within our jurisdiction, so I can't look at the bank's lack of response to their complaint, or whether or not it was actioned correctly.

I'm sorry to disappoint S but whilst I recognise Barclays actions would have been concerning to them, I don't think the bank acted unreasonably.

My final decision

My final decision is that I don't uphold this complaint.

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

Jenny Lomax
Ombudsman