

The complaint

G, a charity, complains about the delay in Barclays Bank UK PLC removing a signatory from its account.

G is represented in bringing the complaint by its CEO, Mr W.

What happened

Mr W contacted Barclays on G's behalf on 1 February 2023 to confirm if it was possible to remove a signatory, a former employee, from G's account over the phone. Barclays confirmed this was possible. However, when Mr W contacted Barclays again in mid-February, he was told another director or company secretary would also need to call them to authorise the request.

Mr W set up a DocuSign as a second method of removing the signatory from the account and he arranged for G's company secretary, Mr M, to call Barclays as the second representative of G to authorise the request.

Mr M was told it was not possible to remove the signatory using either of these processes, so Barclays emailed a paper mandate change form to him. This form was completed and returned to Barclays by G.

The signatory was removed from the account on 1 April 2023.

Mr W complained to Barclays about how long the process had taken and how much distress and inconvenience the matter had caused to him and the charity.

Barclays accepted responsibility for the errors. They said the information given on the 1 February was correct. They said the signatory should've been removed on 14 February and the former employee's company card should also have been cancelled that day.

Barclays offered G £200 as an apology in an attempt to resolve the matter. Mr W was unhappy with this offer, so he brought G's complaint to our service.

Before an investigator was assigned to the case, Barclays increased their offer to £350, however Mr W said he would like a full investigation into the complaint.

One of our investigators looked into matters. She thought Barclays' offer was reasonable to compensate for the inconvenience this matter caused. She noted Mr W's distress about the charity being vulnerable to financial loss during the period before the former employee's access to the account was removed but said she could see no evidence of any financial loss. And she explained that as the complainant in this case is G, a charity, she was unable to make an award for distress in line with the rules that govern our service.

Mr W felt that the impact on his mental health and the charity's exposure to a potential loss of a significant amount of money warranted more compensation from Barclays. Mr W asked for an ombudsman to reconsider the case, so it has been passed to me to decide.

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.

Barclays have accepted responsibility for the incorrect information given to Mr W about their process and for the delay in arranging for G's former employee to be removed from the account. So, I need to decide what I think is the right level of compensation to resolve this matter.

I can understand the distress and inconvenience this matter will have caused to Mr W, however, as our investigator explained the complainant in this case is G, the charity. And as a charity is unable to experience distress, we can only look at any financial loss or inconvenience Barclays' error caused to G.

Thankfully in this case there is no evidence of financial loss to G despite its former employee having access to the accounts for longer than expected. So, there is no financial loss for me to award for.

That leaves inconvenience, and it's obvious that Barclays' actions did cause additional work for Mr W and Mr M which will have taken them away from their normal day to day work commitments.

From what I have seen, the inconvenience caused by the error led to either Mr W or Mr M unnecessarily needing to speak to Barclays on the phone on several occasions and having to complete and return a mandate change form. Additionally, G's accounts would've required additional monitoring while the former employee still had access to them.

We generally think that an award of £300 or under might be fair where there have been repeated small errors, or a larger single mistake, which required a reasonable effort to sort out. And resulted in an inconvenience to the complainant which typically took a few days or weeks to resolve. As such, I think that Barclays offer of £350 in recognition of the inconvenience their error caused is fair and in line with what I would've likely suggested had no offer been made by Barclays.

Whilst I understand my decision will be disappointing for Mr W, and I can understand the anxiety this matter will have caused him, I am satisfied that Barclays' offer is fair and reasonable in the circumstances of this complaint.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC to make a payment of £350 to G.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 10 January 2024.

Tara Richardson
Ombudsman