

The complaint

B, a limited company, has complained Barclays Bank UK PLC has offered insufficient compensation following their actions leading to B being a victim of fraud.

What happened

Mrs G, one of the three directors of B, is representing them in this complaint.

In April 2023 B was a victim of fraud. Someone saying they were Mr G, the son of Mrs G, contacted Barclays. They got a phone number associated with the account changed. Then two days later using telephone banking, the fraudster got Barclays to make two payments amounting to £29,822.03.

Mrs G immediately realised these payments were fraudulent and contacted Barclays. Barclays admitted the error was theirs, refunded the money within 10 working days and offered B £1,000 compensation for what had happened.

Dissatisfied with that offer, Mrs G brought B's complaint to the ombudsman service.

Our investigator believed that this offer was more than she'd have recommended Barclays to pay. She also noted Barclays had declined to fulfil B's request for phone calls under GDPR regulations. She confirmed our service would be unable to rule on that aspect as we weren't the regulator for data protection issues.

Mrs G remained unhappy with the resolution being offered to B. She's asked an ombudsman to consider B's complaint.

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 reached the same outcome as our investigator. I'll explain why.

Firstly I should confirm that I'm not considering how the fraud took place – although I'm aware of this aspect – as this isn't the crucial aspect of B's complaint. We decide compensation payable to small businesses on the basis of the impact on the business, rather than, for example, the severity of the banking error in itself. I am also unable to consider the emotional impact on Mrs G and other directors of B. I don't doubt this must have been considerable but isn't, under our rules, what compensation payable to businesses covers.

I don't wish to underestimate the event here. There's no doubt that what happened was a severe mistake by Barclays. They admitted as much themselves when they confirmed "*this should never have happened*" in their final response to B.

Mrs G has confirmed B had additional expenses. These entailed:

- An additional 33 hours payment to a member of staff over two months whilst Mrs G was committed to sorting out Barclays error. This amounted to £396.
- Cost of phone calls over and above normal usage. Bills show these total £22.78.
- Subscriptions to credit agencies to help identify any attempt to takeover further business accounts. No amount has been specifically confirmed.

Mrs G has also said B lost out on further business opportunities because of the time she had to spend devoted to sorting out issues following B's financial loss. I have noted this, but Mrs G has been unable to quantify what this amounts to. I believe it would be inappropriate to provide B compensation for something that is unable to be quantified.

I'm sorry to tell Mrs G that I agree with our investigator. I believe that Barclays offer of £1,000 along with the cost of phone calls is fair and reasonable. I'd have decided that £500 compensation should be payable to B, and added the additional costs, as quoted above. This means £1,000 is a reasonable offer.

I've noted how distressed Mrs G has been by Barclays telling her they wouldn't provide B with access to the calls made by the fraudster. I can see why Barclays made this decision but if Mrs G wants to pursue this on B's behalf, she will have to raise this with the Information Commissioner's Office. I should add I completely appreciate why she feels as she does and I'm sure she'll still feel she and B have been badly treated by Barclays.

My final decision

For the reasons given, my final decision is to instruct Barclays Bank UK PLC to pay B £1,000 compensation along with £22.78 costs for phone calls.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 11 January 2024.

Sandra Quinn
Ombudsman