

## **The complaint**

Mr W complains about the way that that Barclays Bank UK PLC has handled his bank account.

Mr W wants Barclays to reinstate his overdraft facility, apologise and pay compensation.

## **What happened**

Mr W has a business current account with Barclays. Mr W had an overdraft facility to help run his business which was secured by an agricultural charge.

Mr W says he's never defaulted on the overdraft facility and that until mid-2021, Barclays copied him into correspondence relating to a family business. Mr W says that this stopped in 2021 and that Barclays never contacted him personally to request repayment of the overdraft facility.

Mr W says that a family member ended up refinancing their business and used part of the money to repay Mr W's overdraft facility. Mr W now owes the family member money and says Barclays didn't ask him for his own proposals about the overdraft repayment. Mr W points out that he is the sole account holder on his business account and should have been treated as a separate business to the family business.

Barclays didn't uphold Mr W's complaint. It said that from the bank's perspective, the businesses of Mr W and his family member were linked and treated as one, with combined cash flows. Barclays says that all negotiations it had were with the family using the family member's email address for correspondence. But that Mr W was present at the meetings so knew what was going on.

Barclays said that as the business debts of Mr W and his family were considered as one, it was agreed that if the debts to Barclays were repaid, the parties involved could only keep in credit bank accounts.

The investigator didn't recommend that Mr W's complaint be upheld. He said that if Mr W's family member hadn't repaid the overdraft, Mr W would have still owed money to Barclays so there wasn't a loss to Mr W.

The investigator thought that Mr W was copied in to emails about the need to repay the overdraft. The investigator said that the overdraft was repayable on demand at any time. He thought that the businesses of Mr W and his family were intertwined with stock, land, and charges.

Mr W thinks Barclays has lied and acted against its code of conduct. He says the whole situation has taken its toll on the family's mental health.

The investigator couldn't see what Barclays had lied about and told Mr W that as the complaint was about a business account, we could only consider the impact on the business not Mr W's family personally. The investigator told Mr W that he could take his concerns

about Barclays' behaviour to the regulator, the Financial Conduct Authority.

Mr W responded to say that the family member would send this service documentation to show that Barclays lied about his overdraft facility. And that Barclays has no legal charge over Mr W's office and that Mr W has no legal rights over the adjoining land owned by his family.

Mr W's family member provided copy emails. In one of them, Barclays asks the family's professional adviser for further financial information and asked them to split out overdrafts and bank loans and provide balance sheet breakdowns for each entity. Another email confirmed that Barclays would need repayment in full for both Mr W and the family business.

The family member said the emails show that Barclays treated their and Mr W's businesses separately and that they had to produce separate budgets and accounts.

### **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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean I've not considered everything that both parties have given to me.

Our service is already dealing with a complaint made by Mr W's family member. The evidence I've seen on both complaint files, strongly suggests that as there was mixing of stock and trade across the businesses of Mr W and his family member, the businesses were linked and effectively treated as one entity for the purpose of considering the overall debt to Barclays.

I accept that Barclays asked for detailed breakdowns for each entity which would split out overdrafts and bank loans. But Barclays sent the email to the professional adviser representing both Mr W and his family's business, which indicates that the professional adviser was dealing with both businesses. And Barclays request for split information doesn't mean that it wasn't going to consider the information as a whole when looking at the servicing of debt by Mr W and his family. Barclays also copied Mr W and his family member into the email to the professional adviser, so Mr W would have known that his business was being considered as part of the refinancing of the family business. So, it doesn't change my decision that Barclays treated Mr W and his family member's businesses as being linked.

There is an email from Barclays to Mr W's family member in August 2021 which made it clear that any refinancing by Mr W's family member would need to include repayment in full for Mr W's overdraft facility. Barclays' evidence is that Mr W was at the meetings where finances were discussed and that it was usual practice for Barclays to write to Mr W's family member as head of the family business. Barclays stance with Mr W and the family member was that if all debt was repaid – including that belonging to Mr W – then Barclays would continue to provide a credit only bank account.

The terms of Mr W's overdraft facility say that it is repayable in full on demand at any time. So, if Mr W's family member hadn't already repaid the overdraft, Barclays could have requested immediate repayment from Mr W. As this hasn't happened, I can't see that Mr W has suffered a financial loss because of Barclays.

Although I don't have evidence to suggest that Barclays wrote to Mr W personally to say that

it was going to remove his overdraft facility, I'm satisfied that Barclays made Mr W aware that his overdraft facility would be removed as part of the refinancing exercise carried out by his family. So, I don't find that Barclays' removal of Mr W's overdraft facility was unfair. Although I'm sorry to hear about the personal impact felt by Mr W and his family, as I don't uphold his complaint, it follows that I don't require Barclays to reinstate the facility or pay compensation.

In the future, if Mr W would prefer Barclays to contact him directly about his business account and he requests this, I would expect Barclays to honour his wishes.

### **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 Mr W to accept or reject my decision before 20 October 2023.

Gemma Bowen  
**Ombudsman**