

The complaint

Mr S is unhappy that Barclays Bank UK PLC blocked his account when he tried to transfer funds through its telephone banking service.

What happened

The details are well known to both parties, so I won't repeat them all here, instead I'll briefly recap the key points.

Mr S phoned Barclays' telephone banking to transfer £50,000 from his current account to an account he held elsewhere. He said even though he answered its security questions, it placed a block on his account and wouldn't process the transaction. Mr S said he was told by the advisor to visit a local branch with two forms of identification to be verified.

Mr S wasn't happy about this and complained to Barclays. He said he cleared the telephone security and further security checks by an independent organisation Barclays used, and he didn't understand why the fraud team would not process the payment and why his account was completely blocked. Mr S also said it wasn't made clear to him that his whole account would be blocked. He said a member of the fraud team he later spoke to admitted there was an error.

Barclays said it could understand why the payment was flagged and it correctly blocked the payment until Mr S was identified in branch. It said the advisor was informed by the fraud expert team to ask Mr S to visit the branch with identification. It recognised that Mr S wanted to speak to the fraud team directly but thought their response would've been the same as the advisor. Barclays agreed the phone call was lengthy, but it felt this was because Mr S wouldn't accept the advisors response. However, it said the advisor should have logged the complaint when Mr S asked them to. As such it offered him £50 compensation for the distress and inconvenience this caused.

Mr S wasn't happy with the responses he got from Barclays and brought his complaint to our service. Our investigator didn't think it should be upheld and he said he saw no bank error other than the initial failure to log Mr S' complaint. Our Investigator said Barclays was entitled to block Mr S' account until he was verified in branch because the potential loss was significant.

Mr S didn't accept our investigators opinion and asked for an ombudsman's decision.

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.

Firstly, I want to clarify that I've taken into account Mr S' detailed submissions about what happened. However, I haven't commented on it all here, instead I've focused on explaining what I think is key to the decision I've reached. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome.

The way in which Barclays organises its internal departments, systems, and processes, such as its fraud department, is a commercial matter for it to decide internally. It's not something we would look to interfere with. But what I have thought about is whether Mr S has been treated fairly in the particular circumstances of this complaint. Having done so, I agree with the conclusions reached by the investigator, and I'll explain why.

I'm satisfied it was reasonable for Barclays to apply a temporary security block on Mr S' account. Even though he verified the transaction, and successfully completed its customer verification checks over the phone, there were still concerns about the activity on Mr S' account. Barclays said the account appeared to be getting cleared out of the balance and it had concerns of a possible account take over. I've looked at Mr S' statements and I can see he made several large transfers in and out of his account that day. While I accept the transfers were to accounts in his name, I don't think it's unreasonable that Barclays had these concerns.

It is standard within the industry to have security procedures in place to protect customers from financial harm. So, while I accept Mr S passed security on the phone call, I don't find it was unreasonable for the advisor to ask him to visit a branch to provide identification if they still had concerns about potential fraud.

I must agree with Mr S that the initial phone call with Barclays was lengthy, but I find this was more than likely because he was unwilling to accept that the transaction would not be processed. So, I don't think Barclays needs to compensate Mr S for the inconvenience he experienced. Mr S also asked to speak to the fraud team on several occasions, but he wasn't allowed to. Barclays explained that speaking to the fraud team wouldn't change the outcome. I don't find what it said was unreasonable as the advisor was relaying the information from the fraud team.

Mr S says it wasn't made clear that his account would be blocked, but I've not seen anything to suggest he was told it was just the transaction that was blocked. Nevertheless, Mr S phoned Barclays back and it was confirmed that his account was blocked. I appreciate it was frustrating, but I'm satisfied any confusion he had was short lived.

I've reviewed the transcript of the phone call Mr S had with a fraud team while he was in the branch. The advisor apologised for the inconvenience Mr S was caused, but I can't agree that he admitted there had been a bank error in blocking the account.

Once his identity was verified, the transaction was processed while he was at the branch, and I'm satisfied this was done in good time. I appreciate Mr S was frustrated by the situation and I can understand how upsetting it was for his account to have been blocked temporarily. I accept that Mr S says he lost out on interest he would have earned from the account the money was going into, but I haven't found that Barclays did anything wrong here. As such, I won't tell it to do anything more.

Finally, I understand that Mr S doesn't think Barclays carried out a comprehensive investigation into his complaint. While it may not have addressed every point in the level of detail Mr S expected, I'm satisfied it provided a clear explanation for the block it applied. Barclays however acknowledged it gave incorrect information when its advisor said they couldn't log a complaint for Mr S. Its offered £50 compensation for the distress this caused, and I think that's fair – the complaint was subsequently set up and responded to. And Mr S has been able to refer the matter to this service.

My final decision

For the reasons I've mentioned above, I require Barclay Bank UK PLC to pay Mr S the £50 it

already offered to him.

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

Oluwatobi Balogun
Ombudsman