

The complaint

Mr R is unhappy that Barclays Bank UK PLC conducted a credit check on him.

What happened

Mr R contacted Barclays to upgrade his current account to a Premier Account because he met the eligibility criteria. But Barclays initially upgrade the wrong account, and when they upgraded the correct account, they conducted a hard credit check on Mr R which was then reported to his credit file. Mr R wasn't happy about this because he'd been told that such a credit check wasn't necessary. So, he raised a complaint.

Barclays responded to Mr R and confirmed that a hard credit check was required as part of the account upgrade process. Barclays apologised to Mr R for the incorrect information that he'd received and made a payment of £200 to him as compensation for the trouble and upset he'd incurred as a result. Mr R wasn't satisfied with Barclays' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the £200 compensation and apology that Barclays had issued to Mr R already was a fair outcome to the complaint. Mr R remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I'm aware that Mr R feels that a credit check wasn't required when upgrading an account with Barclays. However, Barclays have provided their account upgrade process flow to this service which confirms that a hard credit check is a required part of that process, and that Mr R should have been informed that this was the case before his accounts were upgraded.

So, what's happened here isn't that Barclays have conducted a credit check on Mr R that they reasonably shouldn't have conducted, but rather that Barclays didn't inform Mr R, as they should have done, of their requirement that a credit check would be conducted if he chose to upgrade his account.

Mr R has explained to this service that he wants the credit check to be removed but for the account upgrades to remain in place. But this doesn't seem fair to me – given that it's been confirmed that Barclays require a credit check to be conducted as part of the account upgrade process.

Additionally, I note that on one of the accounts Mr R has already utilised some of the Premier Account features, such that it isn't now reasonable to expect Barclays to retrospectively cancel the upgrade. And given that Mr R only received one credit check in regard to both of his upgraded accounts, even if Mr R was to request the retrospective cancellation of the second account, the credit check would fairly remain in place because of the upgrading of the first account which now must remain in place. Furthermore, Mr R has

confirmed to this service that he wants his accounts to remain upgraded.

It also must be noted that the Premier Account allows account holders to transfer and withdraw higher daily amounts than standard account customers. And so, it makes sense to me that a credit check would be required by Barclays before upgrading an account to a Premier Account, given the increased risk the Premier Account facilities entail.

All of which means I won't be instructing Barclays to remove the credit check from Mr R's credit file as he would like. However, it remains the case that Barclays didn't inform Mr R about their requirement for a credit check before upgrading his accounts as they should have done.

Barclays have apologised to Mr R for this and paid £200 to him as compensation for any trouble or upset he may have incurred as a result. And, upon consideration, I feel the £200 that Barclays have already paid Mr R is a fair compensation amount for what took place.

In arriving at this position, I've considered the frustration and inconvenience that not being told that a credit check would take place has caused Mr R. But also taken into account that a credit check has very little effect on a person's credit file such that the actual impact to Mr R has been relatively minor. And I've also considered the general framework which this service uses when considering compensation awards, details of which are on this service's website.

It therefore follows that I feel that the response that Barclays have already issued to Mr R's complaint – including the apology and the payment of £200 compensation – does represent a fair resolution to this complaint such that no further action from Barclays is reasonably required here. And accordingly, I will not be upholding this complaint.

I realise this won't be the outcome Mr R was wanting. But I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 November 2023.

Paul Cooper
Ombudsman