

## The complaint

The Trustees of C, a private family trust, complained about problems they had experienced with Barclays Bank UK PLC, in relation to adding a signatory to their account.

The Trustees believe they've provided enough information for Barclays to add the new signatory, but Barclays says it still needs more information.

The Trustees want Barclays to add the signatory to the account mandate, and compensation for the delay and trouble they've experienced.

## What happened

The Trust had the same three trustees for many years, and had banked with Barclays for many of those years. On 30 July 2020 a fourth trustee was appointed by a Deed of Appointment.

On 3 August, the Trustees notified Barclays, but Barclays didn't reply. The Trustees chased on 5 and 7 September. On 23 September Barclays replied, asking the Trustees to complete a form. This was headed "*Mandate Change Form*" and required information about the new trustee, plus the authorising signatories of the existing three trustees. The Trustees returned the completed form to Barclays on 10 October.

The Trustees didn't receive a reply, and chased in September and November.

On 26 January 2021, they complained by phone.

During the call, Barclays told the Trustees that it had sent two letters. But these had been sent to a former address of the Trustees' former accountant, who had never been a trustee and who'd left six years earlier. Barclays also said that it needed confirmation of the identity of the three existing and one new trustee, by a solicitor or accountant – though the four trustees all had one of these qualifications themselves. Barclays also said it would normally take 12 weeks for it to respond to a change of bank mandate. And finally, Barclays said it had sent the wrong form in September 2020, and it would need a different one.

The Trustees sent a formal complaint letter on 31 January.

On 24 February, Barclays sent its final response letter. This said that Barclays needed the New Mandate form to be completed, and a copy of "*the Trust Deed*" as well as the new trustee to ring up to update his personal details. Barclays apologised for not answering previous letters and for having been sent the wrong form when they did eventually speak to the team.

The letter also gave referral rights to this service, but said "*you must do so within six months of the date of this letter. If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and will only be able to do so in very limited circumstances.*" The date of the final response letter was 24 February 2021.

The Trustees complained to this service on 4 November 2021, which was outside this six month time limit. Barclays disputed our jurisdiction to consider the complaint. It's accurate, under the rules that govern our service, that the Trustees brought the complaint too late. Barclays agreed, however, that although we couldn't consider events before the date of the final response letter, 24 February 2021, we could consider "*issues since our final response letter.*"

This means that the investigator, and I, can only consider aspects of the Trustee's complaint after 24 February 2021.

On 26 March, the Trustees sent Barclays the second mandate form, together with a copy of the Trust Deed, as requested in the February letter.

On 13 April, the new trustee phoned Barclays. He spent over an hour on the phone, trying to provide the identification details using Barclays' identification and verification link, but each time the adviser told him it wasn't good enough. He was told he'd have to go to a branch. He said he wished he'd been told that in the first place – especially as he needed to be careful as he was medically in a vulnerable category for Covid.

The new trustee went to a Barclays' branch on 16 April with his identification documents. He also took the original Deed of Appointment of Additional Trustee. Barclays took copies and said it would pass it to the relevant department.

On 18 May, Barclays wrote to the Trustees saying that it needed a new mandate form, and an "*up to date Trust Deed*" to be taken to a branch to be copied and certified. It also said that the signature of one of the trustees on the Mandate Change form didn't match its records. Barclays gave the name of the trustee as his first and middle names, not his first name and surname. It asked him to phone, or confirm on company paper, that the signature had changed. Barclays sent this letter to the address of the Trustees' former accountant, whom the Trustees said had never been a trustee himself. So the Trustees didn't receive it.

On 9 June, Barclays emailed the Trustees saying that a new deed was required as the deed must show outgoing, incoming and remaining trustees. The Trustees felt Barclays hadn't read the Deed of Appointment which they'd provided, because that clearly showed no outgoing trustee, three continuing trustees and one extra new one.

Barclays rang the Trustees on 14 June, saying there was still information outstanding. The Trustees asked for confirmation by letter, but Barclays only sent printed application forms, with no list or covering letter explaining what was outstanding.

The Trustees complained to this service in November. They set out what had happened, and said that, in summary, they'd:

- provided Barclays with two completed and detailed mandate application forms with full current contact details for all four trustees;
- supplied specimen signatures for all four trustees;
- provided the original Deed of Appointment of Additional Trustee;
- supplied a copy of the original 1952 Trust Deed, which Barclays would already have had on file; and
- the new trustee had been to a Barclays branch with his identification.

The Trustees explained that their patience was now exhausted, and they didn't want to do anything further. They said that if Barclays wouldn't add the additional trustee's signature without any further requirements, they'd move to another bank, because they thought opening a new account could hardly be more tiresome than the bureaucratic nightmare they said they'd experienced at the hands of Barclays.

Our investigator said she thought Barclays should compensate the Trustees by £175 for the level of service it had provided – but she didn't think Barclays had to change the Trustees' mandate because it still didn't have all the information it needed.

She also contacted Barclays to ask what the outstanding issues were, which it said were preventing it from adding the fourth trustee. Barclays said it needed:

- a New Mandate Form, because the one the Trustees had supplied was a Mandate Change form (because Barclays had sent them the wrong form). Barclays said the Trustees would have to phone Barclays to have the forms generated, and all four trustees would have to sign, as it would replace the previous mandate;
- a certified copy of the most recent Trust Deed, or a letter from a solicitor or accountant (not one of the trustees) to confirm the trustees; and
- for the existing trustee whose signature had changed, a signed statement on headed paper saying that his signature had changed over time. Alternatively he could ring the Mandate Change team, and once past the identification process, he could confirm he had signed the forms.

The investigator looked at the history of what the Trustees had provided. She noted that Barclays had sent the Trustees the wrong, Mandate Change, form – but as it was before the date of the Final Response letter, we couldn't consider the impact of that inconvenience. The Trustees had returned the right form on 26 March 2021 – but on 11 June Barclays had said this was in a jpeg format which couldn't be accepted, and some information was missing because it hadn't been scanned straight. Barclays said it would need to be scanned again or taken to a branch. By this time the Trustees were so frustrated that they hadn't done that.

The investigator commented that the form said it would have to be returned by post or to a branch – but Barclays' 24 February letter had specifically said it could be emailed, which was misleading. And the investigator thought Barclays should have contacted the Trustees about the problems earlier than it had done. They'd sent the form on 26 March and Barclays hadn't replied until 11 June.

The investigator also said that the Trust Deed provided in March 2021 didn't include the new trustee, so the latest one was needed. And she asked Barclays for a copy of the disputed signature which Barclays said had changed. She could see both sides, but agreed that it would need to be confirmed before Barclays would add the new signatory.

The Trustees replied that they'd already sent a completed New Mandate form, and a copy of the most recent Trust Deed. And although the trustee whose signature had allegedly changed didn't think it had changed, he said he now formally confirmed it was the same as on the many cheques he'd recently signed for the Trust – all of which Barclays had honoured. And it was also the same as he'd signed on the Deed of Appointment of the new trustee in July 2020.

The investigator contacted both Barclays and the Trustees again. But Barclays continued to say that it would need the extra information, and the Trustees continued to say that it had done enough for Barclays to add the additional signatory – especially as technically the additional signatory didn't even have to be a trustee.

The Trustees asked for an ombudsman's decision. They set out detailed reasons, including:

- the proposed £175 compensation was woefully inadequate for the wasted time and energy expended by the Trustees;
- all they had wanted to do was add another optional signatory, who didn't even have to be a trustee. So they thought the only question was whether the trustees had done enough to verify that person's identity and signature – which the person had done by going to the branch with identification;
- just because Barclays required something didn't mean the customer should reasonably be obliged to comply, especially when it was making unreasonable demands;
- the new Deed of Appointment of a New Trustee had been taken to Barclays by the new trustee as one of the documents which the branch had copied;
- the signatory whose signature had been disputed had been signing around a dozen cheques a year without any query.

The investigator sent Barclays a copy of the new Deed of Appointment. It agreed that the quality satisfied its requirements, as long as it was the most recent Trust Deed. But it said the document would have to be certified by Barclays' staff in a branch, or by a solicitor who was not one of the trustees.

The investigator replied that the Trustees said this had already been taken to a branch in April 2021. Barclays replied that it didn't have any records of any documents scanned in April 2021. It only had the original 1952 Deed which had been supplied in early March 2021.

The investigator asked Barclays what it had received via the branch in April 2021. Barclays replied that its team had received a postal letter with identification for the new trustee, certified in the branch on 16 April – but no Trust deed was enclosed. And Barclays said that although the identification and proof of address were acceptable at the time, they'd no longer be acceptable, because they'd been certified more than six months earlier, and the new trustee's driving licence would now have expired.

The Trustees provided further comments on this, pointing out Barclays' various failings. They said that the point they kept making was that the new trustee had personally attended with identification and a certified copy of the new, latest, Trust Deed, which should mean that Barclays' further requirements were unnecessary. The Trustees also said that in December 2021, Barclays had emailed to say it was re-opening the complaint, and would email its response. But he'd never done so, and now it was our investigator, not Barclays, who now relayed to the Trustees that Barclays couldn't find an important Trust document which they'd supplied twice as a plain copy and once as a certified copy – and the branch had taken its own copy too. The Trustees also said that as their new trustee, who had impeccable professional qualifications, had said he attended the branch with identification and a certified copy Trust deed, we could be sure he was not lying.

### **My provisional findings**

I issued a provisional decision on this complaint. Before doing so, I considered all the available evidence and arguments to decide what would be fair and reasonable in the circumstances of this complaint.

In my provisional decision, I first set out that because the Trustees didn't bring their complaint to this service within six months of the final response letter on 24 February 2021, I couldn't consider any of the events before that date. Barclays had agreed to this service considering what happened after that. I acknowledged that the Trustees had said that although the rules preclude us from adjudicating on a complaint which is brought out of time, this shouldn't preclude us from looking at and taking account of the events leading up to that point – but it does. I explained that I could set out the events in order to make an

understandable narrative, but I couldn't, for instance, take account of any failings up to that point when considering the compensation I award.

I've set out the major events in some detail above. The issues, however, are clear:

- should the Trustees have to do any more in order to have their fourth trustee added to the Barclays account; and
- whether compensation would be fair and reasonable for what happened, and if so, how much.

#### *Whether the Trustees should have to do any more in order to have their fourth trustee added to the Barclays account*

Our investigator contacted both sides in some detail for what had been provided and what was still required. However, as it stood at the time of my provisional decision, neither side was willing to give way.

I said I could understand the Trustees' frustration – which I'll deal with under the compensation section below. However, it isn't for this service to order a bank to accept someone onto an account, let alone that it must do so without carrying out what it has set as its own procedures. So I explained that while I could reflect the frustration and inconvenience experienced by the Trustees in the compensation, I didn't think it'd be fair of me to order Barclays to accept the fourth trustee without the further and/or repeat evidence it says it wants. It had explained why, as a business, it wanted this and I thought its explanation is a fair one. I realised it would be a further inconvenience to the trustees, but Barclays was only seeking to comply with its procedures as a business here.

I realised this would be frustrating to the Trustees. I noted that the Trustees have said they have been considering transferring to another bank, and given the breakdown in trust and confidence, this might well be what the Trustees decide to do. But that is a matter for them to decide.

#### *Compensation*

First, in considering what compensation would be fair and reasonable, I explained that I hadn't taken into account any of the events prior to the 24 February 2021 final response letter, for the reasons set out above.

I also clarified the position about paying compensation to trustees. As individuals, trustees can experience the same kinds of impact as other consumers, so we can make awards for distress and inconvenience. If trustees take the form of a separate legal entity, such as a limited company, we wouldn't usually make awards for distress and inconvenience because a limited company is a separate entity which can't personally experience those feelings.

Also, we can't compensate professional trustees. Here, the four individual Trustees had pointed out that they are professionally qualified. I considered that carefully, because we can't provide compensation to '*professional trustees*' for the reasons I've given above. However, I considered that this means those who, for example, work for a company which provides professional trustees as their job. Here, I considered the Trustees of C just happen to be professionally qualified, but were acting as trustees as individuals. This means that I can award compensation for distress and inconvenience to the Trustees of C.

I looked in detail at the customer service which Barclays provided to the Trustees from 24 February 2021 onwards. I've listed below some, but not all, of these frustrations which I considered would have caused frustration and upset to the Trustees:

- The final response letter was ambiguous about which Deed was required, and I could understand why Trustees thought that what was required was the original 1952 Trust Deed, despite the fact Barclays already had this one file. This was misleading. In fact it wanted the Deed appointing the new trustee;
- The new trustee said, and I accepted, that he spent over an hour on the phone to Barclays, trying to send identification documents using Barclays' online verification system. This would have been very frustrating and inconvenient;
- The new trustee was then told he had to go to a branch, which at that time would have been particularly distressing and inconvenient for someone who was medically categorised as vulnerable for Covid;
- I accepted that when the new trustee did go to the branch, he took with him his passport, driving licence, and the original Deed of Appointment of Additional Trustee. The branch took the documents to photocopy, and gave them back to the trustee. As Barclays has since said that all its head office department received was the photocopies of the trustee's passport and driving licence, I considered the branch either failed to copy the Deed, or failed to forward it to Barclays' head office department. The impact of this was further delay and more requests for information which the Trustees had already supplied;
- When Barclays wrote to the Trustees on 18 May, it gave the name of the trustee whose signature it was querying, just by his first and middle names, instead of his first name and surname. This would have added to the Trustees' belief in Barclays' incompetence;
- It was understandable that the Trustees would have been very frustrated that, when they were trying just to add a single signatory, Barclays then challenged the signature of one of the existing signatories – who had been signing cheques about once a month for many years without a challenge. I recognised that banks need to be cautious in order to avoid possible fraudulent changes to an account. However, I thought this could have been dealt with in a more customer-friendly way;
- Barclays sent its 18 May letter to an incorrect address, where the Trustees' former accountant had had his business address, but which the accountant, who was never a trustee, had left six years earlier. So the Trustees never received it at the time. I also noted that this was a repeat mistake, because the Trustees had discovered in January 2021 that Barclays had sent two other letters to this incorrect address. While I couldn't take the pre-February errors into account, I bore in mind that the May error shouldn't have happened because it had previously been advised to the bank. The correspondence address on the Trustees' correspondence was also clearly a different address, to which Barclays should have addressed its correspondence;
- When Barclays rang the Trustees in June 2021, saying there was still information outstanding, the Trustees asked for confirmation by letter. I find this was reasonable. However Barclays simply sent printed forms with no list or covering letter;
- Having accepted the fourth Trustee's passport and driving licence in the branch in April 2021, it would be upsetting and annoying that recently, when the investigator was trying to sort out a solution, Barclays said it would need all that information all over again because the expiry date of his driving licence had since expired.

As I've set out above, the Trustees said they'd:

- provided Barclays with two completed and detailed mandate application forms with full current contact details for all four trustees;
- supplied specimen signatures for all four trustees;
- provided the original Deed of Appointment of Additional Trustee;
- supplied a copy of the original 1952 Trust Deed, which Barclays would already have had on file; and
- the new trustee had been to a Barclays branch with his identification.

I considered it was understandable that they are upset and despairing of ever getting to a solution with Barclays. Taking into account all the upset since 24 February 2021, I considered that a fair and reasonable amount of compensation for Barclays to pay the Trustees would be £750.

So my provisional decision was that I intended to uphold this complaint in part:

- I did not intend to uphold the Trustees' request for the fourth signatory to be added without any further action by them;
- I intended to uphold the Trustees' complaint for more compensation and to order Barclays Bank UK PLC to pay the Trustees of C £750 compensation for distress and inconvenience.

### **Responses to my provisional decision**

The trustees said they appreciated the careful and detailed review and analysis, and they had nothing more to say at this juncture.

Barclays said that after careful review it agreed with the provisional decision and proposed settlement of £750 redress.

### **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 reconsidered all the available evidence and arguments, and in the light of the responses to the provisional decision, I consider that my original decision was fair and reasonable in all the circumstances of this complaint.

### **My final decision**

My final decision is that:

- I do not uphold the Trustees' request for Barclays Bank UK PLC to add the fourth signatory without any further action by the Trustees;
- I uphold the Trustees' complaint for more compensation and I order Barclays Bank UK PLC to pay the Trustees of C £750 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask The Trustees of C to accept or reject my decision before 7 July 2022.

Belinda Knight  
**Ombudsman**