

## **The complaint**

A company which I'll call 'T' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on T's behalf by their directors, Mr D and Mr Q. They are represented by Ms S.

## **What happened**

T held a business current account with Barclays since 1998.

T told us:

- Barclays had been requesting information from them since September 2021. They provided the information, but the bank didn't confirm until August 2022 that it had received everything.
- Between September 2021 and August 2022, Barclays restricted access to their online banking so they couldn't pay their suppliers.
- Barclays requested information from them again in January 2023 and threatened to close their account if this wasn't received.
- They'd repeatedly called Barclays but there was always two-hour wait to speak to someone. They'd complained to the bank, but it wouldn't pass information between departments and its service had been poor.

Barclays told us:

- It had undertaken a limited 'Know Your Customer' ('KYC') request for T in 2021 due to a change in the company's signing arrangement.
- When it didn't receive a response to its information request, it restricted T's online banking until the information was received.
- It undertook a full KYC review of T's account in June 2022 and had requested more information from T about their structure. Some information was received in August 2022, but the review was ongoing, and it needed more information which had been requested in January 2023.
- T's account and online banking access hadn't been restricted whilst the full KYC review was being undertaken. However, it had contacted T numerous times in 2023 in writing and via online banking to request that they provide the additional information needed.
- It had requested information from T in line with its mandatory process, discussed

these requirements with the company and explained what they could do to meet the address requirements. So, it hadn't done anything wrong.

Our investigator didn't recommend the complaint be upheld. He thought that it was reasonable for Barclays to request information to complete its KYC check. He acknowledged that the KYC check was inconvenient for T, however he said the bank had written to the company to say that it needed information, and its requests hadn't been unreasonable. He also thought Barclays had given T the required notice that if the information wasn't provided, it would close their account.

T didn't agree with the investigator's opinion. They said their complaint wasn't that the information was requested, but that Barclays staff weren't professional to deal with, and there was a lack of communication between the staff. They provided evidence of an email to Barclays providing their address confirmation from September 2023, which they hadn't had a response about. So, they asked for an ombudsman to review their complaint and the case has been passed to me to decide.

### **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 decided not to uphold it. I'll explain why.

T says that Barclays has behaved unreasonably as it restricted their account, and wouldn't pass information between departments. They also say they were told not to keep emailing the bank and were treated unfairly. But I'm not persuaded that's the case. I say this because Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. Therefore, Barclays may need to check from time to time that the information it holds for its customer is correct. It is a commercial decision which Barclays is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations. And if the bank doesn't receive the information it needs, it is entitled to take actions with regards to those customers.

In this case, I can see that Barclays initially requested information from T in August 2021, and by mid-September 2021 the bank confirmed that its KYC requirements had been met. Barclays then requested further information in August 2022, and this request remained outstanding in early 2023. I recognise that T found this frustrating, however Barclays has explained that it needed more information from T, in addition to what had been provided in 2021. And I think this was reasonable.

I've also looked at the correspondence between T and Barclays, and I don't think the bank treated T unfairly. I say this because I've seen that when Barclays asked for further KYC information in 2022 about T's members and the business structure, they were asked to call a dedicated team. Instead, T contacted the team they had been dealing with in 2021 who weren't able to help them. This original KYC team repeatedly advised T that they weren't responsible for the new KYC request and had forwarded T's information to the new team but couldn't help any further. They also requested that T call the new team directly on the number the company had been provided with. However, despite these requests from the original KYC team, T continued to email both the team and individual staff members. So, I think it was reasonable that the individuals, in a respectful manner, asked T to cease contacting them personally and follow the instructions they'd been given to resolve the new KYC request.

T told us that Barclays sent them threatening letters and unfairly restricted their account. But I'm not persuaded that's the case. As the bank wasn't satisfied it could meet its regulatory obligations because it hadn't received the information it needed from T, it sent them firmly worded warnings that it would restrict their account if they didn't provide the requested information, which was in line with its terms and conditions. I think it's reasonable that Barclays wanted to clarify the information it held for the company was correct and I don't think the letters were threatening, but factual in terms of the consequences of this information not being provided. I also don't think it was unfair for Barclays to restrict access to T's online banking facility as I've seen that it told the company in writing and via their online banking on several occasions that it would take this action if they didn't provide what was requested. And I'm satisfied that the bank was clear about the information it needed, and why.

I'm sorry to disappoint Ms S and T's directors as I know they feel strongly about T's complaint. But Barclays is allowed to make a commercial decision on how it meets its relevant obligations, so I can't reasonably question how it structures its business, undertakes its reviews, or challenge the information it says it needs to meet these obligations (such as a 'trading address'). Our service would only make a recommendation on these areas if we felt the bank had treated its customer unfairly, and I'm not persuaded that's the case here. So, I won't be asking Barclays to do anything more.

### **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 T to accept or reject my decision before 8 April 2024.

Jenny Lomax  
**Ombudsman**