

The complaint

Mr and Mrs T have complained that Barclays Bank UK PLC made their Foreign Currency Account dormant whilst there was still a large balance in the account.

Mr and Mrs T don't believe that enough was done to notify them that their account was due to become dormant. They're also unhappy that when they went to access the money held in the account, they faced delays, causing a potential loss of interest.

What happened

On 27 January 2023, Barclays wrote to Mr and Mrs T to say that due to inactivity on their Foreign Currency Account, the account would be treated as being dormant from 13 April 2023. The letter explained that if Mr and Mrs T didn't want the account to become dormant, they needed to either pay money in or out of the account, or alternatively, to tell Barclays that they'd like their account to remain active.

As no new transactions occurred on the account and as Mr and Mrs T didn't respond to the letter, the account was subsequently registered as being dormant.

In November 2023, Mr T went to access the money in the Foreign Currency Account, but he was unable to access it. Mr T says he attended branch, to submit a dormant account claim on 24 November 2023, but the claim was not processed correctly by Barclays due to a technical issue.

As Mr and Mrs T still did not have access to the account, Mr T submitted a complaint to Barclays in January 2024. Following this, another dormancy claim was processed by Barclays on 19 January 2024 which was successfully processed – giving Mr and Mrs T access to their money again on 25 January 2024.

Barclays issued a final response letter on 26 January 2024. Barclays said that it had followed the correct processes in making the account dormant. But it did agree that it had made an error when the first dormant account claim was submitted and so offered to pay Mr and Mrs T £200 compensation to apologise for the distress and inconvenience caused to them.

Unhappy with the response, Mr and Mrs T discussed their complaint with Barclays again. Barclays issued another final response letter on 2 February 2024, but didn't change the outcome on the case.

After referring their complaint to this service, one of our investigators assessed the complaint. They concluded that Barclays' actions to make the account dormant was fair. The investigator however didn't think that the £200 offered by Barclays fairly reflected the impact this matter had on Mr and Mrs T. So they recommended that Barclays pay £500 compensation.

Barclays responded to the investigator's assessment and said it was willing to pay Mr and Mrs T £300 compensation for the distress and inconvenience caused by the initial dormant

account claim not being processed correctly. Barclays also offered to pay compensatory interest on the balance of the dormant account – which I understand is at the standard rate of 8% annual simple interest, less tax. This would be calculated from the date Mr and Mrs T first tried to access their funds in November 2023 to when they received their funds in January 2024. Barclays said that this amounted to £514.37.

Mr and Mrs T didn't accept Barclays' offer, but they did say they would accept the compensatory interest plus £500 compensation for the distress and inconvenience caused to them. The investigator said that they thought that what Mr and Mrs T were asking for was reasonable in the circumstances. Barclays did not agree to do this and so the complaint was referred for an ombudsman's decision.

After the complaint was referred to me, I reviewed the complaint and concluded that Barclays' offer to pay £300 compensation and to pay 8% simple interest, less tax, on the balance of Mr and Mrs T's dormant account – calculated from when Mr and Mrs T first tried to access their funds in November 2023 to the date they received their money back – was fair and reasonable. I explained this to Mr and Mrs T and also Barclays but neither party responded.

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 reviewed everything I remain of the view that the counteroffer put forward by Barclays was fair and reasonable. I will explain why.

Firstly, in terms of the dormancy notification, I think Barclays took reasonable steps to notify Mr and Mrs T about the impending dormancy, due to inactivity on the account. I can see that Mr and Mrs T have made various arguments about the letter. For example, they say the letter should've made it clearer that they needed to take action, or made it clear it was urgent. They also say that they were still using other accounts with Barclays – although I don't think that is necessarily relevant here, as whether an account is made dormant usually depends on the activity on the individual account, rather than across all products that a customer may have with a bank.

Having read the letter that was sent to Mr and Mrs T, I think it was made clear enough that the letter was not marketing or trying to sell them something and was about information relating to their account. Plus, it said in bold letters at the top "*We need to know if you still need your currency account*". So I think Barclays had made it clear that Mr and Mrs T needed to react to the letter. The letter outlined what actions Mr and Mrs T needed to take and also the deadline for this to happen by, to avoid the account becoming dormant.

I think Barclays had made it clear that Mr and Mrs T's Foreign Currency Account would become dormant. As such, I can't reasonably say that Barclays has acted unfairly or unreasonably in making Mr and Mrs T's account dormant. Indeed, Barclays did this to protect Mr and Mrs T from fraud and so I think it was acting in their best interests in doing this, even if Mr and Mrs T don't necessarily see it that way. And although Mr and Mrs T have said that Barclays should send more than just one letter to notify accountholders of an impending dormancy, it is not for this service to dictate to Barclays what processes it should have in place.

I note that Mr and Mrs T say they received the letter in question, but put it to one side not realising, or perhaps forgetting, they needed to take action. I'm sorry to hear about the circumstances they were dealing with at the time. I can appreciate why the letter may not

have received the attention it needed. But equally, I can't reasonably say that Barclays are at fault because they didn't act on the letter, due to them having to deal with more pressing issues at the time.

So in summary, I don't think that Barclays acted unfairly or unreasonably in making Mr and Mrs T's Foreign Current Account dormant.

When Mr and Mrs T wanted to withdraw the money from the Foreign Currency Account, I understand that they put a dormant account claim in November 2023, but due to a technical fault, this led to the claim not being processed properly. In the weeks that followed, I understand that Mr and Mrs T contacted Barclays a number of times, but were told it could take up to 12 weeks for the claim to be processed. Because of this, the fault with the dormant account claim was not identified by Barclays, that is until Mr and Mrs T submitted a complaint in January 2024.

Based on the information available on Barclays' website, it says that it should be able to process a dormant account claim within two weeks. So had things gone as they should've Mr and Mrs T would've likely been able to access their money in early December 2023. But instead, they had to wait until 25 January 2024 to access it. So they were without their money for around 7 weeks longer than they should've been.

During this time, I recognise that it would've been frustrating for Mr and Mrs T having to wait so long for their claim to be processed. And when they submitted their complaint in January 2024, it'd become apparent that the delay was due to there being a problem with Barclays processing the claim. When Barclays processed the claim again, it was promptly dealt with and Mr and Mrs T were then able to access their funds again.

Looking at the time scales involved; the number of times Mr and Mrs T chased Barclays up to process their claim; and the understandable frustration that this would've caused Mr and Mrs T, I think that Barclays' offer of £300 is fair in the circumstances.

I have considered the investigator's recommendation that £500 be paid to Mr and Mrs T, but I think what Barclays offered is still fair, given that Mr and Mrs T had been informed by Barclays that their account would be made dormant and that, even if the claim had been handled correctly in the first place, there likely would've still been some delay before they could access their funds. Also, it was the case that during the delay, Mr and Mrs T knew their money was still in the account and were aware of the reason why they couldn't access it immediately i.e. because it was dormant and there were administrative delays – rather than it being the case that the money could not be located by Barclays.

In addition to the distress and inconvenience caused to Mr and Mrs T. They have also said that they lost out on preferential exchange rates and interest due to Barclays taking its time processing their dormant account. Although Mr and Mrs T have proposed potential amounts they may've lost out on, like the investigator, I agree that it's not clear what action they would've taken. I'm also mindful that had the dormant account claim been processed correctly in the first place, they likely still would not have had access to their money until sometime in December 2023. So I don't think the various calculations they provided from November 2023 would've necessarily reflected the reality of the situation, had things gone more smoothly.

So, I think that awarding 8% simple interest, less deductible tax, is a fair way to recognise that Mr and Mrs T were deprived of having the benefit of the money held in the dormant account, that is until Barclays eventually processed the dormant account claim correctly. This is in line with this service's general approach to situations where a consumer has been unfairly deprived of the having the benefit of their money, due to an error or the unreasonable actions of a financial business.

Putting things right

To put matters right, I require Barclays Bank UK PLC to do the following:

- Pay Mr and Mrs T £300 for the distress and inconvenience caused to them by this matter; and
- Pay Mr and Mrs T, 8% simple annual interest, less any deductible tax, on the balance of their dormant account, from the date they submitted their dormant account claim, to the date they were able to access their money.

My final decision

Because of the reasons given above, I uphold this complaint and require Barclays Bank UK PLC to do what I have outlined above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 2 August 2024.

Thomas White
Ombudsman