

The complaint

Mr and Mrs G complain about the way that Barclays Bank UK PLC handled their bank account.

What happened

In 2023, Barclays contacted Mr and Mrs G to say that it was going to close their joint bank account due to inactivity but neither of them recalls receiving the notifications.

The only payments made from the joint account were for a travel pack product provided by Barclays which offers benefits including European break down cover and worldwide insurance. Barclays says that charges for these kinds of fees are not classed as customer initiated transactions, so would not have prevented the account from becoming at risk of being categorised as dormant. As Mr and Mrs G didn't respond to the dormancy notifications, Barclays closed their account.

The travel pack cover ended when Barclays closed their account. After opening a new account with Barclays, Mr and Mrs G wanted to reinstate the travel pack but found that they would have to pay a medical premium of £170 in addition to the monthly fee.

Before this service became involved, Barclays refunded one year's premium of £170, together with £20 towards travel costs and £50 to apologise for any distress caused.

Our investigator considered Mr and Mrs G's complaint. She didn't think Barclays was wrong to close the account due to dormancy. But our investigator thought that Barclays gave Mr and Mrs G incorrect information about the travel pack. For the upset caused, our investigator thought Barclays should pay a further £50 compensation.

Barclays disagrees with the investigation outcome saying that as it didn't close the account by mistake, it needn't have paid the goodwill gesture of £170 or covered travel costs for Mr and Mrs G's visit to a branch.

Barclays says that the incorrect information it gave about the travel pack only impacted Mr and Mrs G after they found out they weren't covered. For this, Barclays thinks the £50 it has already paid is fair.

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 realise that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern the Financial Ombudsman Service allow me to take this approach. But it does not mean I have not considered everything that the parties have given to us.

Like our investigator, I don't consider Barclays acted unfairly when it closed Mr and Mrs G's account after they failed to respond to the dormancy notifications. Although Mr and Mrs G

may not recall receiving the dormancy letter, I'm satisfied that Barclays sent it and then followed up with messages in line with its dormancy policy.

However, I agree with our investigator that once Barclays had closed the account, the service Mr and Mrs G received fell short of the level they could reasonably have expected. And that this caused some distress and inconvenience.

I have listened to recordings of the calls that Mrs G had with Barclays about the travel pack. As Mrs G was about to go on holiday, she was understandably concerned about whether her and Mr G would still benefit from the insurance provided as part of the pack. Barclays gave Mrs G conflicting information about whether the travel pack was still in place – despite the closure of their account. And it also said that Mr and Mrs G could make the monthly payments from their savings account. I think the upset caused by this uncertainty, together with the time spent on the calls, makes it reasonable for Barclays to pay compensation.

Our investigator has recommended that Barclays pay a further £50 on top of the £50 it has already paid and I agree that this is fair. An award of £100 sits at the lower end of the range of award that the Financial Ombudsman might make where the mistake has taken a reasonable amount of effort to resolve and has caused a lower level of upset over a few days.

I understand Barclays position that it has already compensated Mr and Mrs G for the reinstatement of the travel pack and costs of visiting a branch when it hadn't made a mistake about the dormancy. However, I don't consider this detracts from the upset caused when Barclays gave Mr and Mrs G misleading and conflicting information about the continuation of the travel pack – particularly as they needed to know what was happening in time for their upcoming holiday. So, I still consider it fair to require Barclays to pay a further £50 compensation.

My final decision

My final decision is that I uphold this complaint and direct Barclays Bank UK PLC to pay Mr and Mrs G a further £50 in addition to the £50 it has already paid for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 5 August 2024.

Gemma Bowen
Ombudsman