

The complaint

Mr O and Miss Z complain that Barclays Bank UK PLC ('Barclays') should pay more compensation than offered so far, after admitting poor service and a data breach arising in connection with their application to open a joint account.

What happened

In March 2024, Mr O and Miss Z visited a Barclays' branch to set up a joint account. In error, Barclays used an existing customer profile belonging to a person related to Mr O instead of Mr O's correct details. To keep things simpler, I'll refer to this other person as Mr O1.

In brief summary, Barclays initially attempted to correct the error but instead changed Mr O1's details using Mr O's personal information. And despite Mr O and Mr O1 going into Barclays to try and sort things out, Barclays sent Mr O1 the new debit card and 'Welcome to Barclays Online Banking' letter, along with the associated passcode, intended for Mr O.

Mr O continued to try and resolve things, including making further branch visits.

On 16 May 2024, a new joint account was opened for Mr O and Miss Z.

Mr O became concerned that the confusion between himself and Mr O1 could have repercussions for them both. Barclays confirmed on 7 June 2024 that their respective records had been separated and any associated financial information deleted from credit files.

Mr O had further problems, including when he tried using Barclays' mobile banking before all issues were resolved.

Mr O complained about the potential data privacy breach and asked Barclays to consider paying a substantial sum to reflect what had happened and distress and inconvenience.

Barclays upheld the complaint and apologised for the significant inconvenience caused and the data breach. Barclays explained it had reported the breach to its Data Privacy Team and given feedback to the branch that caused the error. Barclays offered Mr O £350 compensation, which it felt fairly reflected the impact of its admitted shortcomings in service.

Mr O and Miss Z thought this didn't go nearly far enough to resolve things and brought their complaint to us.

Our investigator thought that Barclays had already done all that we'd reasonably expect and its compensation offer was fair in all the circumstances.

Mr O and Miss Z disagreed with our investigator, mainly saying that more compensation for what happened was warranted, and they asked for an ombudsman review.

The complaint has come to me for a 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 can understand why what's happened has been upsetting and frustrating for Mr O and Miss Z. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

Mr O and Miss Z mainly feel that the investigator oversimplified some things and Barclays' offer fails to reflect the severity of the situation, bearing in mind they were prevented from using the account properly for three months or so.

I can see they were caused a great deal of stress and worry, as well as inconvenience. It was frustrating not to be able to operate the account and there was a potential risk that muddling Mr O with Mr O1 could affect their credit records. Mr O made repeated branch visits to try and get things resolved. In addition, Barclays asked him to come into the branch again with his identification documents after changing his account information. I can appreciate why Mr O and Miss Z feel Barclays was slow to put things right and believe the matter might have taken longer to resolve if Mr O and Mr O1 hadn't gone to the branch together.

I've approached this complaint in a way that reflects the informal complaint handling service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. Part of my role is to identify what I think are the key complaint issues that affect the outcome. So I may not address every single detail that's been mentioned and I've summarised what happened only briefly. But it doesn't mean I haven't considered the evidence and what's been said here – it just means I haven't needed to specifically refer to everything in order to reach a decision in this case.

The main background facts are not in dispute so I don't need to say more about what happened. Barclays accepted that it made some errors in the way it dealt with Mr O and Miss Z's instructions. As Barclays has upheld the complaint, I will concentrate on the question of fair redress, which is the main reason Mr O and Miss Z have requested an ombudsman referral.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Mr O and Miss Z in the position they would be in if Barclays hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Mr O and Miss Z of what happened.

I am satisfied that I don't need to consider financial loss. Mr O and Miss Z agree that they aren't out of pocket as a result of any poor service on the part of Barclays.

Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Mr O and Miss Z of Barclays' service failings.

I don't doubt that Barclays' admitted poor service would've been frustrating and inconvenient for Mr O and Miss Z. It doesn't however automatically mean that a larger financial payment is due as compensation. Each complaint is looked at on its own merits - I've looked at the circumstances that apply in this particular case and what happened on other cases doesn't change my conclusion here.

I can't award compensation for hypothetical issues as it's not within the remit of this service to do so. So whilst I accept things might have been worse if Mr O hadn't had such a good relationship with Mr O1, this isn't a reason for me to increase compensation.

The Information Commissioner's Office is the proper forum to consider whether Barclays has contravened the Data Protection Act and in a better position to judge whether Barclays is in breach of General Data Protection Regulation (GDPR). So I will not comment further on that issue. But I fully accept that Barclays' admitted disclosure of private information intended for Mr O being sent to Mr O1 caused Mr O a great deal of worry. My focus is on fair and reasonable redress that takes this into account.

It's clear there were serious failings in the service provided by Barclays. The initial error, when Mr O was wrongly identified and muddled with Mr O1, was compounded when Barclays failed to take prompt corrective action and then made things worse by changing Mr O1's record. To be clear, I can't comment on what happened from Mr O1's point of view – this is Mr O and Miss Z's complaint about how what happened impacted on them. But this mistaken attempt to put things right clearly had implications for Mr O and Miss Z because it further complicated things. And there were other features of the way Barclays dealt with Mr O and Miss Z which aggravated the situation overall – for example, when Barclays changed Mr O's name and address on his bank details, which resulted in Mr O being told to make another branch visit. Mr O and Miss Z were reasonably entitled to expect that opening a new joint account should be relatively straightforward to do. So I think it's fair to say that Barclays could and should have resolved their complaint issues sooner than in the event happened.

Overall, I think the £350 compensation offered by Barclays is fair and reasonable in all the circumstances. It adequately reflects the distress and inconvenience Mr O and Miss Z were caused over the time it took Barclays to deal with the complaint. Beyond this, I don't agree that Mr O and Miss Z's experience warrants further compensation. I don't expect what happened to have any significant or lasting negative impact on Mr O and Miss Z. And whilst it took Barclays longer than it should have done to respond effectively and put things right, I am satisfied that £350 matches the level of award I would make in these circumstances had it not already been proposed. It is in line with the amount this service would award in similar cases, and it is fair compensation for Mr O and Miss Z in this particular situation.

I have set out below the steps I require Barclays to take.

Putting things right

Barclays should pay Mr O and Miss Z £350 compensation, as it has already offered to do, to reflect the impact on them of its admitted poor service.

My final decision

My final decision is that I uphold this complaint and direct Barclays Bank UK PLC to take the steps set out to put things right for Mr O and Miss Z.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Miss Z to accept or reject my decision before 17 December 2024.

Susan Webb
Ombudsman