

HM Treasury

Consultation on the Ban on cold calling for consumer financial services
and products

Response on behalf of Barclays Bank UK plc and Barclays Bank plc

September 2023

Submission by Barclays

Barclays is a universal consumer and wholesale bank with global reach, offering products and services across personal, corporate and investment banking, credit cards and wealth management. With over 330 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 85,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

We welcome the opportunity to respond to Treasury's consultation on the Ban on cold calling for consumer financial services and products.

Executive Summary

Barclays welcomes HM Treasury's continued efforts to tackle fraud and scams and we recognise the need to protect consumers and vulnerable members of society against criminal activity.

At Barclays, we have invested in a multi-layered security system to help keep our consumers safe, and protect them against fraud and scams. This includes:

- 'Confirmation of Payee', an account name checking service that helps to make sure payments are not sent to the wrong bank or building society account.
- We also introduced 'app ID', a method of 'reverse identity' which allows Barclays colleagues to verify to customers that they're a legitimate caller and not an impersonator. We believe this should be a mandatory requirement across personal banking services, where a consumer is digitally enabled.
- We are also part of the 'Do Not Originate' scheme, created in partnership with the telecommunications industry, UK Finance and Ofcom, to prevent our most common inbound helpline phone numbers from being used in a scam.

We are mindful of unintended consequences of a blanket ban on cold calling which could have the reverse impact on customers and cause detriment. This is of particular concern to parts of the organisation who have a need to proactively contact customers, we have detailed these in our response.

We consider that a blanket ban on cold calling will not eradicate scams. Instead, regulatory and legislative change that applies to all participants in the fraud and scams ecosystem requiring them to take preventative action and to change existing practices is necessary.

There are a number of areas where we would welcome further clarity of scope, such as a definition for existing customers, where it may be helpful to distinguish between "non-customers", "prospective customers", "new customers" and "existing customers". Along with this, a more granular definition of what would be considered as cold calling would be helpful. If the implementing legislation is proposed to be the Financial Guidance and Claims Act 2018, then this covers direct marketing, which is of course broader than just "cold calling" in the traditional sense. Much of our marketing activity would be captured by direct marketing, and this forms an important part of our customer support and competitiveness.

Greater clarity would also enable us to better assess the suggestion that the ban will not affect firms' ability to meet their obligations under the Consumer Duty. The Consumer Understanding Outcome and Crosscutting Obligations should be considered in greater detail when assessing the merits of a blanket ban on cold calling. Collectively, both of these are aligned to allowing consumers to realise

the benefits of products and services as well as enabling them to pursue their financial objectives. A blanket ban risks creating a barrier to entry for many consumers who may have otherwise benefited from financial services, products and services to achieve their financial objectives.

Cold calling to market financial services and products, undertaken in the right way (where the right controls and guardrails are in place, such as targeted marketing by trained people at the right time), allows a broad range of consumers to benefit where otherwise they may not have had knowledge of what is available, and can act in their own interest. Consideration should be given to Consumer Duty obligations regarding communicating with prospective customers, including those who might be declined a product.

We are also cautious that the terminology “cold calling ban” may lead customers to think that their bank will never call them at all, which is not accurate and could have damaging consequences with customers not answering legitimate calls, including but not limited to calls regarding debt, fraud, vulnerability, product reviews where a customer could benefit from a different product, key life events and bereavement.

Notwithstanding these considerations, we believe that a simple, effective and standardised mechanism of reverse identity checks would better avoid the unintended consequences of a blanket ban on cold calling and help to reduce fraud and scams in telephony channels.