

The complaint

Mr O complains that Barclays Bank Plc closed his account without explanation and logged a CIFAS marker against him.

What happened

In 2014 Mr O's personal account with Barclays was closed. Barclays also closed his company's business account. Both accounts were closed without a reason being given. Mr O did not complain at the time, but he complained in 2020 when he discovered that Barclays had logged a first party fraud marker against him. The company's complaint about the closure of its business account has been dealt with separately; I am dealing here only with Mr O's personal account.

Barclays stood by its decision to close the account, but it accepted that it had not had enough evidence to record the fraud marker. It agreed to downgrade the CIFAS marker from fraud to suspect, and it offered to pay Mr O £300 for his trouble. Mr O did not accept that offer, as he said the marker had prejudiced his mortgage application. He brought this complaint to our Service.

Our investigator did not uphold this complaint. He said Barclays had been entitled to close the account. He did not think that our Service had jurisdiction to consider the CIFAS marker, as this had been logged in connection with the company's business account, rather than Mr O's own account. Mr O did not agree, and so this complaint has been passed to me for an ombudsman's 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.

The bank has shared its evidence with us in confidence, and so I am unable to say more about the account closure than that Barclays was entitled to close the account without telling Mr O why, and that I am satisfied that it arrived at that decision in good faith. I therefore do not uphold that part of this complaint.

Barclays admits that it was wrong to record the fraud marker with CIFAS, and so I only need to consider what is fair compensation for that issue. I do not agree that this matter is out of my jurisdiction. Although it is true that the decision to record the marker was taken based on information about the company's business account, I can see in evidence submitted by Barclays that the marker is recorded against Mr O in relation to his personal account. For that reason, I consider this complaint to arise from matters relevant to his relationship with Barclays as one of its customers in his own right. It isn't just a complaint about his company's business account (which has been dealt with by another ombudsman).

Mr O says that the CIFAS marker meant that he had to pay for a new bank account, and also prevented him from getting a mortgage (which appears to be how he found out about the marker). He therefore says that £300 isn't enough.

As far as the mortgage is concerned, Barclays' terms and conditions say that Barclays is not liable for "loss of opportunity," and I think this would extend to the loss of the opportunity to get a mortgage. I therefore do not think I can hold Barclays liable for that.

I don't think the terms and conditions prevent Mr O from claiming a refund of the fees he paid for his replacement bank account. But I don't think he has tried to mitigate his loss – that is, he accepted a bank account with a third party which charged account fees. If he had shopped around for a free bank account, then he would either have found one or, if he could not, he would have wondered why, and would then most likely have discovered the CIFAS marker sooner, and complained about it sooner. I don't think it would be fair to order Barclays to refund five and a half years' worth of charges, and I think that £300 is fair compensation for the charges that Mr O would have incurred up to the point when he should have discovered what had happened (if he couldn't get a free account).

My final decision

So my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 January 2021.

Richard Wood
Ombudsman