

The complaint

Mr S complains Barclays Bank UK PLC has unfairly closed his business account and recorded a CIFAS marker against him. He would like his account to be re-instated, the marker to be removed, a full investigation and to be compensated.

He brings this complaint on behalf of his business - V.

What happened

Mr S was issued with a notice to close his business account in September 2018. The same notice was also sent in relation to his personal account – which is the subject of a separate complaint. The closure of the account was with immediate effect.

When Mr S complained, Barclays did not uphold his complaint. It said it had acted in accordance with the terms and conditions of the account in not giving any notice. It said it would not be reversing its decision. What it didn't say, in its final response to Mr S, was that it had also recorded a fraud marker against him.

Mr S then brought his complaint to this service where our investigator looked into matters for him. He told this service he had lost approximately £8 million as a result of the closure of his business account alone and wanted to be compensated accordingly.

Our investigator thought Barclays had acted fairly and was correct in recording the fraud marker – so he said he wouldn't ask it to do anymore. So, Mr S made some further submissions and asked 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.

I arrived at a different outcome than that of the investigator. I've let Mr and Barclays know about that and allowed them time to make some submissions in return.

Barclays accepted my outcome but Mr S did not. He thought I was wrong in the approach around the account closure - and he also thought he had proved his losses in terms of compensation. I don't agree with him and the decision below sets out my final decision on the matter.

account closure

My role does not allow me to interfere with a business decision. Barclays has decided it no longer wants Mr S as a customer. I can ensure it has followed its process in a fair way – but I cannot ask for that decision to be reversed.

So, the account terms and conditions allow for Barclays to close Mr S's account with immediate effect if it feels certain conditions are met. I can't see that it was unfair or unreasonable in the process so do not uphold this part of the complaint.

CIFAS

The bar for recording a CIFAS marker is a high one. At the time of the recording, Barclays needs to have satisfied the following:

- That there are reasonable grounds to believe that a Fraud or Financial Crime has been committed or attempted;*
- That the evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the Subject to the police*

I can't see that it could satisfy either.

Having been contacted by two different parties about transfers made into Mr S's account, it did not carry out an investigation - nor did it speak to Mr S to ask for his version of events. It simply made the decision to close his accounts and record the marker.

I think it acted unfairly and unreasonably in doing so. Accordingly, this part of the complaint is upheld.

compensation

In the circumstances of the case, I do not think it is fair or reasonable to award compensation.

Mr S acknowledges this service has limitations with the level of award - and he also submits this may be a head of damage which he will pursue through other channels.

For my part, I don't think he has sufficiently evidenced his losses and therefore make no award.

Putting things right

Barclays Bank UK PLC should remove the CIFAS marker recorded against Mr S and/or V with immediate effect.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S, on behalf of V, to accept or reject my decision before 18 August 2020.

Shazia Ahmed
Ombudsman