

The complaint

Miss R complains that Barclays Bank PLC closed her bank accounts without notice and won't release the funds remaining in her accounts. Miss R is also unhappy with the service she received from Barclays and adverse information recorded against her. She'd like the funds released and compensation for the impact caused.

What happened

Miss R had a personal account and an ISA with Barclays.

On the 9 October 2017 Miss R received £250,000 into her personal account. On the 10 October 2017 £200,000 was transferred out and soon after £20,000 was transferred from Miss R's personal account to her Barclays ISA.

On the 17 October 2017 Barclays received a notification from the sending bank that the £250,000 received on the 9 October 2017 was fraudulent. They placed a block on Miss R's personal account, and following investigation sent Miss R a notice of immediate closure for both accounts on the 26 October 2017. They also loaded a marker on Miss R's record on the National Fraud Database with CIFAS.

On the 17 January 2018 Barclays released the funds from Miss R's ISA, a total of just over £20,000. This was withdrawn by Miss R on the 22 January 2018.

However, Barclays didn't release the remaining funds totalling £33,802.08 and returned these to the sending bank.

In 2019 Miss R complained to Barclays about why she hadn't been provided with a reason for the closure of her accounts and her remaining funds hadn't been released. Barclays didn't uphold Miss R's complaint and in response said they'd followed the terms and conditions of the account.

Miss R wasn't happy with Barclays response so complained to our service through a representative. I'll refer to all responses from Miss R's representative as though coming from Miss R directly.

One of our investigator's looked into Miss R's complaint. Our investigator contacted Barclays to discuss why just over £20,000 had been released to Miss R but the remaining £33,802.08 was returned to the sending bank. Barclays accepted they'd made an error in releasing the £20,000 to Miss R, and they should have also returned these funds to source.

Our investigator thought Barclays had acted fairly in restricting and closing both of Miss R's accounts, and returning the £33,802.08 to the sending bank.

Miss R didn't accept our investigator's outcome. I'll outline and respond to the key points Miss R made which were:

- She hasn't committed a breach so shouldn't have adverse information recorded

against her.

- She's never been charged or had any action taken against her in a court of law.
- She's been victimized by Barclays and should have her funds returned.
- Why wasn't she provided with information regarding why the funds were returned?
- The investigator mentions not being persuaded by the proof of entitlement provided by her, what is this based on?
- She doesn't have further information regarding the redundancy and settlement agreement because it happened three years ago.
- If she'd been found locked in a bank branch then it would have been impossible for her to explain this to the police.
- She's unhappy with a call that was supposed to be made to her representative by Barclays and during the call she wasn't offered any compensation. Miss R also raised that this call hasn't been provided to her.

As Miss R didn't accept our investigator's view it's been referred 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.

Account restriction and closure:

I've firstly considered whether Barclays acted fairly in restricting access to Miss R's bank account. Although I appreciate that Miss R is unhappy that restrictions were placed on her account businesses have a legal obligation to protect the security of their accounts and to comply with various laws and regulations. Barclays are required to comply with a wide range of law and regulation, including the Prudential Regulation Authority (PRA) Rulebook, the Financial Conduct Authority (FCA) Handbook and various pieces of primary and secondary legislations. I'm satisfied that Barclays were acting in line with their legal and regulatory obligations and in accordance with the terms and conditions of the account when it reviewed her account. So I don't think Barclays did anything wrong when it initially blocked Miss R's account and didn't allow her access to her funds.

I've moved on to consider the closure of Miss R's accounts and whether the bank acted fairly. A bank is entitled to close an account just as a customer may close an account with a bank. But, before a bank closes an account it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of Miss R's bank account state that there are certain circumstances in which Barclays can immediately close a customer's account. Section 11 of the terms and conditions state that Barclays can close an account without any notice if they reasonably believe:

- *You put us in a position where we might break a law, regulation, code or other duty that applies to us if we maintain your account.*
- *You give us false information at any time.*
- *You commit (or attempt) fraud against us or someone else.*

- *You use (or allow someone else to use) your account illegally or for criminal activity, including receiving proceeds of crime into your account.*
- *You inappropriately let someone else use your account.*
- *You behave in a threatening or abusive manner to our staff.*
- *You become bankrupt.*

I've considered these terms and from the evidence I've seen I'm satisfied that Barclays acted within the terms and conditions when they closed Miss R account. I appreciate that Miss R is unhappy that Barclays haven't been specific as to the reason why her bank account was closed – and which conditions she's breached. However, our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Barclays has provided is information that we considered should be kept confidential. But I'd like to reassure you that I'm satisfied, based on the evidence I've seen, the bank acted fairly.

I realise this will be disappointing to Miss R and I appreciate the closure of her accounts caused her inconvenience. But the bank can make commercial decisions about who it offers banking services to. They can't unfairly discriminate against a consumer. But they can decide they no longer want to do business with individuals. That's because they have the commercial freedom to decide who they'd like to contract with. And I'm satisfied that in Miss R's case Barclays exercised its commercial freedom legitimately when it decided to close her accounts.

Withholding of funds and 'Adverse information':

I've moved on to consider Miss R's main complaint point – whether Barclays have acted fairly in not releasing the remaining funds of £33,802.08.

I've seen evidence from Barclays that they received a scam report from the sending bank regarding £250,000 received into Miss R's personal account on the 9 October 2017. Miss R has explained that these funds were received as part of a redundancy settlement and provided a copy of her contract, dated from 2006, from her former employer which I'll call B. This states *'in the event of termination of contract the amount of £25,000 annual bonus per annum is payable to cover each year of employment'*. Miss R also provided a letter from B from July 2017 which states *'...you are also entitled to a statutory redundancy payment. Your entitlement in this regard is a payment of £8,068.50'*. I've seen evidence of this payment crediting Miss R's Barclays personal account in August 2017. Our investigator asked Miss R to provide further evidence of the redundancy settlement, including documentation to show her entitlement to the £250,000, however Miss R hasn't been able to provide this.

I appreciate Miss R is very frustrated by the lack of information provided to her by Barclays about their decision not to release her remaining funds. I've thought about whether the bank have acted fairly here in not returning the funds to Miss R. And I can understand why the bank don't consider Miss R has adequately explained her entitlement to the money. In reaching this conclusion I won't be asking Barclays to do anything further here.

On bringing her complaint to our service Miss R didn't initially complain about adverse information loaded on her credit file. However Barclays have since advised our service Miss R had a marker loaded against her with CIFAS, and Miss R has mentioned adverse information preventing her from opening another bank account. So I've briefly considered the

fairness of the marker. I'm satisfied that at the time the bank loaded the CIFAS marker they met the burden of proof required. In reaching this conclusion I've considered the evidence provided by Barclays showing the scam funds crediting Miss R's account, the account activity including the transfer out of £200,000 the day after receiving the funds along with Miss R's explanation and the evidence provided by her for the entitlement to the funds. In doing so I'm satisfied that Miss R was *complicit* in receiving fraudulent funds. And Barclays acted fairly in loading the marker.

Overall service:

I've considered the service provided by Barclays throughout Miss R's complaint. Miss R's referred to two things in particular the first a phone call where Barclays were rude and disrespectful to her on the phone. Unfortunately Barclays haven't been able to trace this call. I understand this will be disappointing to Miss R but without this I'm unable to conclude that the service provided by Barclays on this call wasn't acceptable. And secondly being locked in a Barclays bank branch – Miss R has raised how difficult it would have been to explain to the police why she was in a locked bank branch if she was questioned about this. I don't doubt Miss R's argument here but our service doesn't award compensation for potential losses or impacts from a situation. What this means is as Miss R wasn't approached by the police and questioned about being present in a closed Barclays branch I can't award compensation for something that *could* but *didn't* happen.

I understand that this will be very disappointing to Miss R, but for the reasons I've outlined above I won't be asking Barclays to do anything further.

My final decision

My final decision is I don't uphold Miss R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 18 June 2021.

Jeff Burch
Ombudsman