

## **The complaint**

Mr T complains Barclays closed his account without notice. Mr T would like a reason and the account reinstated. Mr T suffered losses as a result of the closure. He would like compensation.

## **What happened**

Mr T had an account with Barclays. The account included a Tech and Travel pack which gave Mr T gadget and Travel insurance.

On 8 September 2021 Mr T received a letter informing him his account was closing immediately. His account had closed on 6 September 2021.

Mr T complained to Barclays. There were delays in Barclays investigation and Mr T didn't receive the final response letter (FRL) so arranged to collect it in branch around 13 November 2021.

Mr T told us Barclays decision to close the account had left him without insurance for his phones as they were too old to be insured with an independent insurer. He also said the closure of the account meant there were delays in him receiving a benefits payment. It had also put him in a difficult financial position, and he had his credit card limit reduced and other accounts closed. Mr T said he wanted to know which terms he had breached that allowed Barclays to close his account.

Mr T has since brought a complaint to our service about the Tech insurance which is being dealt with separately.

Mr T was unhappy, so he complained to our service. One of the investigators looked into the complaint he thought:

- Barclays should have given Mr T two months' notice to close the account. Barclays agreed and offered £200 in order to resolve the complaint.
- Since Barclays could close the account with 60 days' notice Mr T would have lost the benefit of the tech insurance in any event – Barclays was not responsible for Mr T not being able to insure his devices.
- There was no evidence the closure of other accounts or the reduction in credit limit was due to Barclays involvement and they shouldn't be held liable for this.
- The delay in a benefit payment being credited was the responsibility of Barclays until 15 September. After that date the delays were caused by Mr T's other bank I will refer to as S.
- He thought the offer of £200 was reasonable in the circumstances.

Mr T disagreed with the view. He said he'd paid for the insurance for his Tech on

1 September and had no benefit from it as his account closed the 3 or 6 of September. He had to call Barclays numerous times and go to branch in order to get his FRL. The calls were over an hour long each time. Mr T reiterated his complaint points. He was unhappy with the amount of compensation

The investigator responded to Mr T, he said:

- Although there may have been confusion about the date of the closure of the account, Mr T was told the 3 September on the phone and the letter said the 6 September – no significant impact resulted from this error. Mr T subsequently agreed with the investigator's point.
- He attached a copy of the correct terms and conditions which showed Barclays were entitled to close the account. Mr T subsequently agreed.
- Mr T had made a claim on his Tech pack in September, so he had received the benefit of his September payment despite the closure of the account on the 6 September. Mr T was offered a refund of £12.50 for his September Travel pack fee.
- He agreed Mr T had difficulty receiving the FRL and thought the offer of compensation covered it and was fair.
- The investigator reiterated that the error that Barclays had made was the notice period given and not the closure of the account.

As there were outstanding points of disagreement the matter has come to me to decide.

### **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.

Mr T has made a number of quite detailed submissions. I've considered all of these, but I don't believe it's necessary to address each and every point that Mr T has made in order to meet my statutory duty to determine his complaint. I'm required to do that with minimum formality, and so I'll address the issues that I consider to be the most important. I do stress however that I've considered everything that Mr T and the bank have said before reaching my decision.

#### *Account closure*

Mr T's account was closed with immediate effect. Barclays agreed that they should have given Mr T 60 days' notice of the closure of the account. As Mr T is unhappy with the closure of his account I've considered if Barclays could have closed Mr T's account giving 60 days' notice.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've considered whether Barclays acted fairly in closing Mr T's account. I've looked at the terms and conditions of his account and I'm satisfied they could close the account giving

immediate notice for certain reasons or 60 days' notice. In this case Barclays gave immediate notice but later agreed it should have given Mr T 60 days' notice. It follows I won't be asking Barclays to reinstate the account.

Mr T wants to know the reason for the closure of his account. Whilst Mr T may have expected to be given the reasons for the closure, Barclays isn't required to give him a specific reason for closing the account whether on immediate closure or 60 days' notice. So, I can't say Barclays has done anything wrong by not giving Mr T this information – as much as he'd like to know.

#### *Tech pack and Travel pack*

Mr T had the benefit of a Tech pack and a Travel pack with his account. This gave him tech insurance and travel insurance for a monthly fee.

Mr T had paid the fees for both his packs at the start of September. He complained that due to the immediate closure he wasn't able to benefit from these payments.

I have looked at the terms and conditions of his Tech pack and they can be terminated following the closure of the account.

Mr T made a claim on his Tech insurance in September following the closure of the account. Mr T has said he hasn't received the benefit of his September payment because he was claiming for an event prior to September. However, I disagree. I can see that Mr T told the insurers the event had happened on the 1 September, the same date as his September payment, so I am satisfied that he received the benefit of his September payment.

His travel pack payment for September has been refunded to him by Barclays. So, I don't think Mr T has suffered a loss here or been disadvantaged.

Mr T has said that he will find it hard to insure his tech because the devices are too old and he will be disadvantaged by this. I have looked at the terms and conditions for the packs and I can see that there is no obligation on Barclays to maintain these insurance packs if the account is closed. I appreciate that Mr T will find it hard to insure his tech but as the bank were entitled to close the account, it follows Barclays are not liable for the issues Mr T may have with finding alternative insurance.

#### *Delay in receiving benefit*

Due to the closure of the account there was a delay in receiving a benefits payment into Mr T's account. The payment was due into his account on 4 September and credited Mr T's account with S on 14 September. There were further delays in receiving the payment after that date. I can see from the evidence some of the delay was due to Barclays closing the account with immediate effect and some of the delay was due to issues with Mr T's other account with S. I can't hold Barclays liable for delays caused by S. Due to the closure of the account the payment was delayed by 10 days. Had Barclays given Mr T 60 days' notice he would have received the payment on time. I think this had some impact on Mr T but the majority of the impact was with the further delays caused by S which Barclays isn't responsible for. Barclays have offered £200 compensation for the error in closing the account immediately and the repercussions this had and I think the amount is fair in the circumstances.

#### *Delay in receiving FRL*

Mr T had to go into branch to collect the FRL and there were a number of delays and long

phone calls that Mr T made chasing this up. I accept Barclays made some errors here. Although Mr T was frustrated by this and had to spend time in pursuing the complaint with Barclays, I'm satisfied he was able to pursue the complaint. I think the amount offered in compensation by Barclays covers the inconvenience in pursuing the complaint and is fair in the circumstances.

### *Compensation*

I know Mr T has said he wants more compensation. Barclays have offered £200 compensation as well as a refund of the Travel pack fee for September. This money has already been paid to Mr T. I've already explained why I think refunding the Travel Pack fee was fair and not refunding the Tech fee was also fair.

I have considered whether the amount paid is enough in the circumstances and I think it is. Barclays errors are that it closed the account without giving the required notice. There were issues with the FRL which must have annoyed Mr T but didn't prevent him from pursuing the complaint. Barclays also caused a ten-day delay in the payment of Mr T's benefit which was a direct consequence of the lack of notice in closing the account. I know Mr T won't agree with me, but the compensation paid is fair in the circumstances and in line with the sorts of awards we make in these circumstances. In deciding this amount, I have taken into account the impact on Mr T of these errors. I also know Mr T had other accounts and wasn't without funds.

### **Putting things right**

Barclays have already paid Mr T £200 in compensation and refunded him £12.50. This is in line with what I would expect them to do. I won't be asking them to do anything else.

### **My final decision**

For the reasons stated above I partially uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 September 2022.

Esperanza Fuentes  
**Ombudsman**