

The complaint

Mr R complains Barclays Bank UK PLC (“Barclays”) closed his current and credit card accounts without explanation. Mr R also complains Barclays should not have linked him to a business account for which he is a director, nor shared data in this way. And Barclays made it difficult for him to withdraw his funds.

Mr R wants Barclays to compensate him for the trouble and upset its caused.

What happened

Mr R is a director of a company. The company’s complaint has been decided under a different reference number at this service. This decision only deals with Mr R’s complaint about his current and credit card accounts - held in his capacity as a private individual.

In December 2021, following an internal review, Barclays wrote to Mr R and said it would be closing all his accounts with immediate effect. In doing so, it withheld Mr R’s funds. Mr R says this matter has caused him substantive distress.

Around three weeks later, in January 2022, Mr R attended a Barclays branch and withdrew his remaining funds.

Unhappy with Barclays’ actions, Mr R complained. In its response and in summary, Barclays said:

- It has carefully considered its decision to close Mr R’s account, which has been subject to a strict internal review process
- Each account is reviewed on a case-by-case basis, and it’s unable to provide Mr R with information on the guidelines used
- Its decision to close Mr R’s account(s) was correct

Mr R referred his complaint to this service. One of our Investigator’s looked into his complaint.

Mr R told our Investigator he did have another bank account with another provider when his Barclays current account was closed. He also said Barclays refused to transfer his remaining funds to his other account.

But instead they gave it to him in cash after four attempts, as he was first asked for one identity proof, then two, and then later he was told he needed to provide pay slips. He said this led to multiple visits, meaning he had to take time off work – causing him inconvenience and further distress. Mr R says his other third-party bank charged him for depositing cash.

After looking into Mr R’s complaint, our Investigator sent Mr R and Barclays their findings. In summary they found:

- Barclays’ decision to close Mr R’s accounts with immediate effect was reasonable

and in line with its legal and regulatory obligations

- Barclays doesn't have to give Mr R a reason for closing his accounts
- Barclays didn't breach Mr R's privacy or date by closing his personal accounts on the same basis as the business account he is a director of
- Barclays told Mr R he could withdraw his funds in December 2021 when notifying him of its decision to close his accounts
- Mr R withdrew his funds on 21 January 2022, and they haven't seen any evidence he encountered any problems in doing so

Mr R did not agree and asked for his complaint to be passed to an Ombudsman 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.

Having done so, I've decided not to uphold Mr R's complaint. I know this will disappoint him, so I'll explain why.

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 security information, or commercially sensitive information. Some of the information Barclays has provided is information we consider should be kept confidential.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Having seen Barclays' reasons for carrying out a review of Mr R's accounts, I'm satisfied it acted in line with the legal and regulatory obligations it must follow.

Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays 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 the account, which Barclays and Mr R had to comply with, say it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Barclays, and the concerns it had, I'm not clear why it didn't give Mr R two months' notice. I'm mindful of not making any finding on a separate complaint here, where Mr R was a director of a business. But in that matter Barclays gave two months' notice.

But given Mr R had another account with a different bank, I'm persuaded he didn't suffer any detriment by Barclays' decision to close the accounts immediately. Given I'm also considering Mr R's credit card account here, and as he's not said he's suffered any loss on that other than it being closed, I'm persuaded Barclays acted fairly. A credit card after all allows Mr R to spend money that he is effectively borrowing, and that is always at Barclays' discretion.

I note Barclays' notice of closure letter sets out what Mr R needs to take to a branch to withdraw his funds. Barclays' internal records, which I've been given, don't show there were any issues with Mr R obtaining his money in the way he has described. But even if he did have to make multiple branch visits in the way he says, I can see he was told to bring the documents in the closure letter. So I don't think Barclays have likely done anything wrong here.

Mr R would like a reason for why Barclays closed his accounts. Neither Barclays, nor I, are under any obligation, that I'm aware of, to do so.

Mr R says Barclays have acted improperly by using information from a third-party entity in deciding to close his accounts. As I've said, I'm not obligated to give Mr R a reason for why Barclays took the actions it did – so I won't be speaking directly to this point. But, broadly speaking, Barclays needs to ensure it follows its regulatory and legal obligations. Which means it must act appropriately, and properly, on any pertinent information it has.

Mr R says this matter has caused him substantive distress and inconvenience. I do appreciate this matter would've caused him some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Barclays given I don't think it failed to properly follow its own procedures when it closed Mr R's accounts.

My final decision

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 March 2023.

Ketan Nagla
Ombudsman