

The complaint

Mr B complains that Barclays Bank UK PLC ("Barclays") closed his account without notice following it requesting KYC information around his business.

What happened

Mr B had a business account with Barclays. As part of its regulatory obligations Barclays sent a letter on 29 April 2021 requesting information about Mr B's business. Within the letter Barclays explained that it may have to close his account if it didn't hear back from him. Barclays didn't receive a response and sent a further letter on 5 June. Mr B said he sent the requested information to Barclays but it was not received and Barclays closed his account in May 2022 in-line with its policy and a cheque for the balance of his account was issued on 24 May 2022.

The terms and conditions of Mr B's account say that Barclays can close the account by giving at least two months' notice.

Mr B complained that he never received notice that Barclays was going to close his account and is unhappy at the amount of time it took Barclays to send him a cheque for the balance of his account.

Barclays said it used the correct process for both closing Mr B's account and returning the funds from his account. It says it used a third party provider to send reminder letters in September and October 2021 outlining what would happen if it didn't get a response including the closure of Mr B's account. Barclays said using a third party to send these letters meant that the letters were not loaded into its customer correspondence and it couldn't access the letters directly but it was able to show generic copies of these letters.

One of our adjudicators looked into Mr B's concerns and reached the conclusion that Barclays was entitled to close Mr B's account. The evidence from Barclays showed that the cheque for the closing balance was processed and issued when the account was closed. But they thought that Mr B should've been given notice that his account was being closed and that as Barclays couldn't provide evidence to show this had happened that it should compensate Mr B £200.

Barclays agreed to settle the complaint in line with our adjudicator's recommendations though it disagreed there wasn't evidence to support that it sent notice to Mr B about closing his account. But Mr B didn't agree and has asked for an ombudsman's decision on the matter.

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 considered everything provided, I've decided to partially uphold Mr B's complaint. I'll explain why in a little more detail.

It might help for me to start by explaining that where a business accepts (or we decide) it did something wrong, we'd expect the business to put the consumer in the position they would be in if that wrong hadn't taken place. And we *may* award modest compensation.

So I need to consider whether Barclays did anything wrong in closing Mr B's account or in the processes it followed when doing this.

As a general rule Barclays isn't obliged to continue offering an account to a customer if it doesn't want to and the terms and conditions of the account say it can close an account by giving two months' notice.

Mr B has acknowledged he received the letters and reminders about providing Barclays with certain information. I can see the letters are correctly addressed to Mr B and are dated 29 April and 5 June 2021. The letters say that Barclays may close Mr B's account if it doesn't receive a response. And I'm satisfied Barclays didn't receive the information requested or a response as I don't think it would've sent the reminders otherwise. So, I'm in agreement with our adjudicator that Barclays was entitled to close Mr B's account.

However, although Barclays say it gave the required two months' notice that it was going to close Mr B's account it can't evidence the date this was sent to Mr B as it used a third party to send out these particular letters. So I can't say that Mr B was given the required notice under the terms and conditions of the account that his account was going to be closed.

Barclays disagrees that notice wasn't given but agreed to compensate Mr B the £200 recommended by our adjudicator.

Mr B doesn't want to accept this compensation as he is unhappy with the amount of time it took to receive a cheque for the closing balance of his account and doesn't think £200 is enough. I can see Mr B's account was closed on 12 May and Barclays' records show that a cheque was issued and sent to Mr B on 24 May which is around 7 working days later which I don't think is an unreasonable delay. I understand that Mr B says he didn't receive the cheque until 4 June but I don't think it would be fair to hold Barclays accountable for a postal system it doesn't control.

And I haven't seen anything to persuade me that compensation above the £200 recommended by our adjudicator and accepted by Barclays is warranted. So on that basis I think what Barclays has already agreed to do is a fair and reasonable way to settle Mr B's complaint and I'm not going to ask it to do anything more.

So it follows that I don't think Barclays made a mistake in closing Mr B's account but I think Barclays should compensate Mr B £200 as it can't evidence when Mr B was given notice that his account was closing.

My final decision

For the reasons I've explained I partially uphold Mr B's complaint and direct Barclays Bank UK PLC pay the fair compensation of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 January 2023.

Caroline Davies
Ombudsman