

## **The complaint**

Mr K complains that Barclays Bank UK PLC (“Barclays”) closed his accounts without valid justification and wants to be financially compensated for lost earnings for the time spent dealing with the matter, reputational damage and mental distress.

## **What happened**

Mr K held a Business, Barclaycard and a number of Personal accounts with Barclays. Barclays says it noticed another business had logged a fraud marker against Mr B and took the decision to close his accounts with it.

The relevant terms and conditions of the accounts Mr K had with Barclays say that Barclays can close the:

- Business account, Barclaycard and Personal accounts by giving at least two months’ or 60 days’ notice;  
or in relation to the Personal accounts
- may end this agreement immediately or on less notice (and stop providing services and close your account) if we reasonably believe you have seriously or persistently broken any terms of the agreement or we have reasonable grounds for thinking you have done any of the following things, which you must not do, which includes but is not limited to:
  - 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.”

Mr K complains prior to the closure of his accounts he was unable to access his money for a period of three days and was left with no means of meeting his and his family’s financial needs and had to spend a significant time in trying to understand why his accounts had been closed without prior notice.

Barclays says all the account closures were in line with the terms and conditions of the accounts and in line with its normal processes and that Mr K was able to access his funds when visiting a branch of Barclays on 31 March 2022 prior to closure.

One of our adjudicators looked into Mr K’s concerns and reached the conclusion that Barclays was entitled to close Mr K’s accounts but that it hadn’t given prior notice of the closure of his personal accounts which was unfair. To put this right they thought Barclays should pay £150 compensation to Mr K to which Barclays agreed.

But Mr K didn’t want to accept this 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.

I hope that Mr K won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

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 K's accounts 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 or provide a reason or justification for its decision to close an account. Just as a customer doesn't have to explain why they may take their banking elsewhere. What banking services a bank provides and to who is a commercial decision of the banks and not something for me to get involved with.

I've briefly outlined the relevant terms and conditions of the accounts in the background above.

I can see that for both Mr K's Business and Barclaycard accounts Mr K was given the required two months' and 60 days' notice by letter on 20 December 2021 and 31 January 2022 respectively before these accounts were closed. So, I'm in agreement with our adjudicator that Barclays was entitled to close these accounts and followed the correct process in doing so.

Regarding Mr K's personal accounts I can see that Barclays took the decision to close Mr K's personal accounts when it noticed a fraud marker had been logged against Mr K's name by another business. I think this falls within one of the conditions outlined above where Barclays can close an account immediately. So again, I don't think Barclays did anything wrong and was entitled to close Mr K's personal accounts when it did on 1 April 2022.

However, although Barclays was entitled to close Mr K's accounts, I can't say it gave Mr K any notice before it did this which I don't think was fair. I can see that a closure letter was sent to Mr K on 6 May 2022 but this was over a month after the accounts were closed.

Our adjudicator recommended that Barclays compensate Mr K £150 for the distress and inconvenience caused by not receiving a closure notice on his personal accounts.

Mr K doesn't want to accept this. He wants to be compensated for lost earnings, reputational damage and solicitors' costs. But I'm in agreement with our adjudicator here – it was Mr K's choice to instruct a solicitor where he had other avenues he could take. And I can see that even without being given prior notice of the account closures Mr K was aware of what was happening because the bank statements show he was able to withdraw the funds prior to when the accounts were closed. So I'm not persuaded that compensation above the £150 recommended by our adjudicator is warranted.

So, although I appreciate the closure of Mr K's accounts caused Mr K stress and inconvenience having to adjust his financial affairs, I can't say Barclays did anything wrong as from what I've seen Barclays was entitled to close Mr K's accounts.

But I think the £150 compensation recommended by our adjudicator and agreed by Barclays for not giving notice of the closure of Mr K's personal accounts is a fair and reasonable way to settle this complaint and I'm not going to ask Barclays do anything more.

### **My final decision**

For the reasons I've explained I partially uphold Mr K's complaint and direct Barclays Bank UK PLC pay the fair compensation of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 January 2023.

Caroline Davies  
**Ombudsman**