

## **The complaint**

Mr and Mrs M complain that Barclays Bank UK PLC ("Barclays") closed their accounts without notice or reason and transferred funds into a holding account without prior warning. This caused them hassle and stress having to change account details for direct debits at short notice and having to go into branch to withdraw wages.

## **What happened**

Mrs M held a sole account and joint account with Mr M with Barclays. On 26 April 2022 Barclays sent a notice of closure letter to Mr and Mrs M notifying them it was closing their accounts with immediate effect and what they needed to do including how to claim wages or benefits still in their accounts.

The notice didn't give a reason why Barclays had taken the decision to close the accounts but the relevant terms and conditions of the accounts Mr and Mrs M had with Barclays say that Barclays can close the accounts:

- by giving at least two months' notice; or
- 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.

Mrs M spoke to various people from Barclays on 28 and 29 April regarding the transfer of money out of her accounts and queried why the accounts were being closed and a complaint was raised on Mrs M's behalf regarding the closure.

Barclays notes record that Mrs M was told that she could withdraw the remaining balance from a branch with identity documentation. Mr and Mrs M visited a branch of Barclays on 3 May and withdrew what they believed to be the remaining funds held with Barclays (£599.81) from their joint account. The account was closed along with Mrs M's sole account on 4 May with funds in the accounts remaining of £117.73 and £1.18 respectively moved to a holding account.

Barclays investigated Mrs M's complaint and maintained that no error had been made in its decision to close the accounts but as it was unable to locate any information to justify immediate closure it offered an apology that Mr and Mrs M weren't given the full notice period and compensation of £100.

Mr and Mrs M were unhappy with this and brought their complaint to this service. They say they were not able to access the remaining funds from their accounts until 12 October 2022.

One of our adjudicators looked into Mr and Mrs M's concerns and reached the conclusion that Barclays was entitled to close Mr and Mrs M's accounts and thought the offer of £100 from Barclays was fair compensation taking into consideration how much of an impact the accounts being closed with no notice had on them.

Following this Barclays offered a further £100 compensation for the issues Mr and Mrs M

raised when trying to withdraw their remaining funds which our adjudicator also thought was fair.

Mr and Mrs M 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.

Firstly, to be clear my decision only deals with the closure of Mr and Mrs M's joint account and Mrs M's sole accounts with Barclays. Our adjudicator has already provided a detailed account of the events that happened and I don't see any use in repeating that detail here but I have provided a summary of what I think are the key points above.

I hope that Mr and Mrs M won't take it as a discourtesy that I've condensed their 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 and Mrs M'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 Barclays took the decision to close this Mr and Mrs M accounts with immediate effect and notified them of this on 26 April 2022. This is allowed under the terms and conditions outlined above providing Barclays are satisfied Mr and Mrs M have seriously or persistently broken any terms of the agreement. Barclays maintain its decision to close the accounts wasn't an error but as it was unable to locate any information to justify the closure it has offered £100 compensation for not giving Mr and Mrs M the full notice period.

I can see that Mr and Mrs M were aware that their accounts were going to be closed as Mrs M contacted Barclays on 28 April and that Barclays notes record Mrs M was made aware of how she could withdraw the remaining funds and that Mr and Mrs M were able to withdraw most of the remaining funds a few days later on 3 May 2022.

However, following this there appears to have been some confusion surrounding access to funds amounting to around £120 and what the source of these were that Barclays transferred to a holding account following the closure of the accounts. Mr and Mrs M say they were unable to withdraw these funds as there were no notes on Barclays' systems allowing them to do this until October 2022.

While Barclays accept there were no notes on the system until October 2022 it maintains they were always allowed to access these funds and that Mrs M had contacted it about the closure in May 2022, but there was no indication she was refused funds and that she was seeking an update about the explanation on the closure. But despite this Barclays have agreed to compensate Mr and Mrs M a further £100.

So in total Barclays have offered to settle Mr and Mrs M's complaint by compensating £200 (£100 for not giving Mr and Mrs M the full notice period and £100 for the issues raised regarding the withdrawal of funds).

Taking everything into consideration I think this is a fair way to settle Mr and Mrs M's complaint. Although I appreciate the closure of Mr and Mrs M's accounts caused them stress and inconvenience having to adjust their financial affairs, Barclays were entitled to close Mr and Mrs M's accounts – the terms and conditions of the account allow this. So I can't say Barclays made an error here.

And even though Mr and Mrs M may not have been given the correct amount of notice I can see that they were able to access the majority of their funds prior to the accounts being closed. Furthermore, although there clearly has been some confusion surrounding the funds held in the Barclays holding account, given the relatively small amount and the fact that I haven't seen any evidence to show me that Barclays purposely withheld these funds, I'm not persuaded that compensation above the £200 offered by Barclays is warranted.

So, I think the £200 Barclays has offered Mr and Mrs M is a fair and reasonable way to settle their complaint and I'm not going to ask Barclays to do anything more.

### **My final decision**

For the reasons I've explained I think the compensation of £200 Barclays Bank UK PLC has offered Mr and Mrs M is a fair way to settle their complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 3 February 2023.

Caroline Davies  
**Ombudsman**