

The complaint

A company, which I'll refer to as H, is complaining that Barclays Bank UK PLC closed H's business account.

Mr K, the director of H, has brought the complaint on H's behalf.

What happened

H had a business account with Barclays. The terms and conditions of the account say Barclays can close it with 60 days' notice.

In September 2022 Barclays emailed Mr K with some questions about H. Mr K answered the questions.

On 23 September 2022 Barclays sent Mr K a letter to say they were closing H's account on 22 November 2022. They said this was due to a risk assessment they'd carried out.

On 13 October 2022 Mr K contacted Barclays by phone. He said he'd been away and had returned to a letter saying H's business account was going to be closed, and he didn't know why. The adviser he spoke to said that H's account wouldn't be closed, and the letter was related to some details they needed from him about H.

On 27 November 2022 Mr K noticed that H's account was no longer available on online banking. He contacted Barclays, who told him that they'd ask for the account to be reopened. It looks like the account was reopened briefly as Mr K was able to continue to use it until 6 December 2022, but then it was closed down.

Mr K complained to Barclays. Barclays said they had made a decision to close H's account, and accepted they'd given Mr K incorrect information about H's account remaining open. They offered £150 for the inconvenience caused to H – which Mr K refused.

H's complaint was brought to us to look into. Our investigator didn't think Barclays had done anything wrong by closing H's account, and he thought the offer of £150 was fair compensation for the incorrect information Barclays had given Mr K.

Mr K didn't agree, so H's complaint has now been passed to me for review and a decision.

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'm upholding this complaint –in the sense that Barclays have done something wrong which they need to put right. But I think the offer they've already made to do so is fair and reasonable. I'll explain why.

Following a review of their relationship with H, Barclays decided to withdraw their banking services. That was a decision they're entitled to make under the terms and conditions of the account, and I've not seen anything that suggests it was unreasonable.

Barclays have explained to Mr K that this was due to a risk assessment, and I don't think they need to share any more information about this. Barclays have explained their reasons to us and I don't think they've reached this decision unfairly or unreasonably.

I do understand that the closure of H's account will have had an impact on the operation of the business, as Mr K's explained. But I don't think Barclays acted unfairly in closing H's account, so they don't need to pay compensation for this.

Mr K's told the investigator he didn't receive the letter giving notice of closure, but the investigator explained he was satisfied it had been sent out – and as I've explained Mr K did say he'd received this letter in the call he had with Barclays in October 2022.

But there's no dispute that Barclays mis-led Mr K about the status of H's account during this call, by telling him it would stay open. So clearly it came as a surprise when H's account was then closed in accordance with the notice of closure. And this mistake was compounded after the closure by Barclays telling Mr K again that they'd reopen the account, before finally confirming that they weren't prepared to do so.

Barclays have already offered £150 for the inconvenience caused to H by the incorrect information they gave to Mr K about the status of H's account. I've considered what Mr K has said and thought carefully about the impact this error would have had on H. And I think £150 is fair and reasonable, in all the circumstances of this complaint.

My final decision

My final decision is that I'm upholding this complaint and Barclays Bank UK PLC should pay H £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 2 April 2023.

Helen Sutcliffe
Ombudsman