

The complaint

Miss N and Mr S complain that Barclays Bank UK PLC closed their account without notice and they had to incur costs to try to get their money transferred. They say Barclays didn't provide the service it should have while they were trying to resolve this issue.

What happened

Miss N and Mr S had a joint bank account with Barclays. In September 2019, they moved overseas and informed Barclays of their new contact details. They say they have received new debit cards to their new address and continued to use Barclays' banking services. They say the last time they made a payment through their account was in September 2022 and then on 31 October 2022, after an unsuccessful attempt to reach online banking, they called Barclays and were told their account had been closed. They were told the only way to reclaim their funds was to write to the bank's dormancy team which they did. As they didn't receive a timely response, they raised a complaint. They then called the bank several times about their complaint but got different answers. They were then told that writing to the dormancy team wasn't the correct route to get their money and instead they needed to complete an online form. They say there were further delays and they had to incur costs getting documents verified.

Barclays issued a final response letter dated 17 January 2023. It apologised for the time taken to reach a resolution in regard to the funds in the account and said the money would be transferred to the account that Miss N and Mr S had provided details for. Because of the delay it said it would also pay £200 compensation into the designated account. In response to comments that notification of account closure wasn't provided, Barclays said it wrote to Mr S on 10 March 2022 to say that as his address was outside of the European Economic Area it was no longer able to service the account. On 8 June 2022, it wrote to request he withdraw the funds in the account by 24 September 2022 then a further letter was sent asking for action to be taken and that the account would close on 2 October 2022. It said the letters were sent through its online portal in line with the preferences on the account.

Our investigator partially upheld this complaint. He said that Barclays was within its rights to close the account and needed documents to confirm the money was being sent to the correct place. He thought adequate notice had been given of the closure but thought the time involved in the reclaim of funds was too long. Because of this he recommended a further £100 compensation be paid (bringing the total compensation to £300).

Barclays accepted our investigator's view. Miss N and Mr S didn't. They said they hadn't complained that the bank had closed their account incorrectly but instead that it didn't inform them of its intention to close the account. It said this meant they had to incur considerable costs to resolve the situation. They noted the comments about letters being sent but said these weren't received. They said Barclays had their address and contact details and so when a response wasn't received to the letters on the online portal it should have contacted them through another route. They said the complaint wasn't that documents were needed to verify their detail but that they had to make several calls, were given wrong advice and not given the service they should have received when trying to resolve the issues. They didn't think the compensation recommended was enough and wanted all their costs refunded.

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 understand why Miss N and Mr S are frustrated by the experience they have had in regard to their account closure. They have explained that they weren't aware their joint account was being closed until after this had happened. And this meant they couldn't take action to move their money before the account closure and instead had to go through the process of resolving this after the account closure.

Barclays has explained the reason for the account closure, and this hasn't been disputed as part of this complaint. In regard to the notice given, Barclays has provided a copy of the letter dated 10 March 2022, which explains why the account was being closed and the actions that needed to be taken. The letter explains that the account balance will need to be brought to zero by 24 September 2022. A reminder notice was sent dated 8 June 2022 and a final reminder sent dated 7 September 2022.

I have looked at the dispatch details for these letters and they were uploaded to the secure online banking facility. I understand that Mr S has said they didn't know these documents were there and didn't open them so weren't aware of the contents. While I do not dispute this, as the customer preferences for both Miss N and Mr S were set to receive letters through the online portal, I cannot say that Barclays did anything wrong by dispatching the letters in this way. Barclays has explained that automated emails are sent to customers when a letter has been delivered to the online secure portal and if a bounce back notification is received then the letter will be sent by post. While I note Mr S's comment that they didn't receive emails or other notifications, based on the information provided I find, on balance, that that Barclays did provide adequate notice of the account closure.

Mr S contacted Barclays on 31 October 2022 and say it took three calls before he was told the account had been closed. He was then given the account dormancy address which he was told he would need to write to. He confirmed this on a further call. After writing this letter and sending to the relevant team he discovered that the correct route to reclaim funds when an account has been closed was to use an online form. I can understand why Miss N and Mr S were annoyed at being given incorrect advice and that they had to spend time writing the letter and on calls.

Mr S then submitted his claim and while I understand he isn't complaining about the documents needed for verification, but that he incurred costs through this process as he wasn't able to transfer the funds before the account was closed, as I find that Barclays provided adequate notice of the account closure, I do not find it is responsible for the costs Mr S incurred.

I do agree that there were delays in the refund being processed. Part of the delay was due to the account that was closed being a joint account for Miss N and Mr S and Barclays therefore needing the joint parties to complete the form. This issue was resolved. But part of the delay was due to the incorrect information Mr S had been provided with when he started the process. The reclaim was completed successfully on 20 January 2023.

Overall, I do not find that Barclays did anything wrong in regard to the closure of the account. But there were then issues with the service provided. In respect to this, Barclays paid £200 compensation and has agreed to our investigator's recommendation of a further £100. Having considered all aspects of this complaint I find this a reasonable resolution.

Putting things right

Barclays Bank UK PLC should, as it has agreed, pay a further £100 compensation (additional to the £200 already paid) for the delay and issues involved in Miss N and Mr S receiving their money from their closed account.

My final decision

Barclays Bank UK PLC should take the action set out above in resolution of hits complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N and Mr S to accept or reject my decision before 5 September 2023.

Jane Archer
Ombudsman