

## **The complaint**

Mrs O complains Barclays Bank UK PLC, trading as Barclaycard, unfairly closed her credit card account immediately and without warning nor explanation causing her severe distress and inconvenience.

To keep things simple, I will refer to “Barclays” mostly in my decision.

## **What happened**

This decision only deals with Barclays’ actions in relation to the closure of the credit card account. Mrs O’s complaint relating to other accounts, and the management of the debt on this account are being considered under separately.

In July 2022, following a review, Barclays decided to close Mrs O’s Barclaycard account. Barclays say it sent Mrs O a notice of closure letter, Mrs O says she didn’t get it. Mrs O’s account was closed immediately, but as she had an outstanding balance on it, Barclays continued to take payment on it.

Unhappy with Barclays’ actions, Mrs O complained. Barclays did not uphold the complaint, and in its response, and in short said:

- The account has been closed in line with Barclays’ policy. The account terms and conditions explain Barclays can close an account in this way and it doesn’t need to give an explanation
- A notice to close letter was sent in July 2022
- As Mrs O is no longer able to access the Barclays mobile App, the account has been switched to postal statements
- Mrs O’s payments are up to date, so there’s no adverse impact to her credit rating

Unhappy with what Barclays said, Mrs O referred her complaint to this service. One of our Investigator’s looked into it, and in summary they found:

- Barclays is entitled to review Mrs O’s account given its legal and regulatory obligations
- Given Barclays’ reasons for closing the account, it acted fairly. But it shouldn’t have closed the account immediately, and instead given Mrs O at least 60 days’ notice in line with the terms of the account
- Barclays should pay Mrs O £100 for the distress and inconvenience it caused her. This award takes into account Mrs O had to visit the branch several times, and a delay with Barclays arranging paper statements

Mrs O did not agree with the amount of compensation that was recommended by our Investigator. She has sent in a copy of a case study scenario from this service’s website as

she feels, like in that case, she should get more compensation.

In response, our Investigator said each complaint is considered on its individual merits, and the case study Mrs O sent us was not similar nor comparable here. Mrs O said that a £100 award would not deter Barclays from such practices, and it hasn't properly considered the stress and panic caused to her – especially the impact on her health as she was pregnant at the time.

Barclays accepted our Investigator's recommendations. Our Investigator explained to Mrs O that our role is not to punish businesses for any of broader commercial practices, but to determine the merits of individual complaints.

As Mrs O didn't agree with what our Investigator said, this complaint has now been passed to me to decide.

### **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've decided to uphold this complaint in part. I'll explain why.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Having considered Barclays' reasons for reviewing Mrs O's account, I'm satisfied it acted in line with its obligations.

Barclays is entitled to close an account just as Mrs O may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Barclays, trading as Barclaycard, and Mrs O had to comply with, say it could close the account by giving her at least two months' written notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Barclays, I'm satisfied it was entitled to close the account. But the crux of this complaint is whether Barclays had reason enough to close it immediately or whether it should have given Mrs O at least two months' notice as per the terms and conditions of the account.

Barclays have given me information about why it decided to close the account in the way it did. Mrs O would like to know why Barclays acted in the way it did. Neither Barclays nor I are under any obligation, that I'm aware of, to disclose the reason.

I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information we consider should be kept confidential.

On the face of it, I've considered very carefully if Barclays had reason enough to close the account immediately – and part of me thinks it did. But I would have expected Barclays to have done more in the way of due diligence before deciding to close the account

immediately. So, for slightly different reasoning, I think as it fell short in its own review and based on what it's told this service it did, I'm persuaded on balance, that it should have given Mrs O two months' notice of closure.

Mrs O says she used her credit card for everyday spending. But this is a credit card, and borrowing money isn't something she is entitled to. I've noted she's been inconvenienced by having to go into branch, but that also related to other products she held with Barclays.

Mrs O also knew she had to make payments on the account as she's said this. I note Mrs O was pregnant at the time, which could have exacerbated any distress and anxiety at the time. I also note there was delay too with paper statements being sent.

But had Mrs O been given two months' notice, as I think Barclays should have, I'm not persuaded a more substantive award is merited.

I say that because it's unlikely Mrs O would have spent more on the credit card given its balance at the time and knowing her card would close in two months' time. So, in practice, I must award compensation for Mrs O not having two months to make alternative arrangements and being left without a credit card she could borrow money on.

Lastly, and for the sake of completeness, I note Mrs O says she didn't get the notice of closure letter. Barclays have sent me a copy of what it sent. I note its correctly addressed, and I've not seen compelling evidence Mrs O was having issues with receiving her post. So I don't think it's likely Barclays have done anything wrong here.

After taking everything into account, I'm satisfied £100 is fair compensation. I've looked at the case study Mrs O sent in, but like our Investigator I don't think its relatable here. And importantly, as I've done here, I must make my decision on the individual circumstances and merits of a complaint.

### **My final decision**

For the reasons above, I uphold this complaint in part and direct Barclays Bank UK PLC to pay Mrs O £100 compensation – if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 25 August 2023.

Ketan Nagla  
**Ombudsman**