

## **The complaint**

Mr Z complains that Barclays Bank UK PLC blocked and closed his account. He's also unhappy that Barclays haven't provided him with an explanation for why it no longer wanted him as a customer. He says this caused him unnecessary stress and worry for which he should be compensated.

## **What happened**

Mr Z had an account with Barclays. In November 2022, Barclays applied blocks to his account and reviewed how Mr Z was operating his account. Whilst it did this Barclays removed the funds in Mr Z's account and showed the account as 'to reconcile'.

Mr Z discovered that he was unable to use his account when he tried to log on to his internet banking. Mr Z contacted Barclays to try and find out what was happening with his account and where his money had gone. Barclays told Mr Z that it had placed his account under review. But wouldn't give Mr Z much information. Barclays completed its review on 1 December 2022, removed the block and released Mr Z's balance back to Mr Z's account. Barclays subsequently decided to close Mr Z's account immediately and wrote to him on 8 December 2022 to let him know he'd need make alternative banking arrangements.

Mr Z complained to Barclays. He explained that the bank's actions had caused him a great deal of stress and that his family relied on him to provide for them. He said he had to borrow money from others to pay for everyday expenses and that Barclays treated him disrespectfully. In response, Barclays said it hadn't done anything wrong and had blocked and reviewed Mr Z's account in order to comply with its legal and regulatory obligations. However, Barclays said that it had made a mistake when it closed Mr Z's account immediately and should have given Mr Z two months' notice that it was closing his account. Barclays apologised and offered Mr Z £200 compensation for the trouble and upset this had caused him.

Mr Z didn't accept Barclays offer and asked us to investigate his complaint. He said the block on his account and lack of access to his funds caused him a lot of problems. He said he wasn't able to provide for his family financially. He wants the bank to provide a proper explanation about why it blocked his account and why it doesn't want him to bank with them anymore. He explained that the bank's actions made him feel disrespected and he doesn't want Barclays to do the same thing to other customers. He says he found the overall experience very upsetting and that the staff responsible should be held to account for their actions.

One of our investigators reviewed Mr Z's complaint. She said whilst she appreciated Barclays actions had caused Mr Z trouble and upset, she thought Barclays hadn't done anything wrong when it blocked and reviewed Mr Z's account. And that it had completed things quickly. She also said that Barclays was entitled to close Mr Z's account, and she thought that the compensation it had offered was fair and reasonable. So, she said Barclays had done enough to put things right.

Mr Z disagreed. He said he wants Barclays to provide a proper explanation for its actions. He said that the compensation offered doesn't consider the amount of pain and suffering the bank's actions caused him or the impact of the negligence of the staff involved.

As no agreement could be reached the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Barclays has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr Z, but I'd like to reassure him that I have considered everything.

Mr Z feels Barclays should have told him that his account was being reviewed and explained why his account was blocked – instead of Mr Z discovering his account was blocked when he tried log in to his account. He's also said that his attempts to find out what was what happening with his account made him feel disrespected because the bank wouldn't tell him anything – so he was left in the dark.

I've no doubt it would've come as quite a shock to Mr Z to see that money had been removed from his account to reconcile. But as the investigator has already explained, Barclays has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence I'm satisfied that Barclays were acting in line with its legal and regulatory obligations when it restricted Mr Z's account. I appreciate that Mr Z wants to know more about why Barclays did what it did. But Barclays isn't obliged to tell Mr Z why it blocked and reviewed his account, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

Looking at the terms of the account they also permit Barclays to restrict access to accounts. So, although I understand not having access to his account caused Mr Z trouble and upset it wouldn't be appropriate for me to award Mr Z compensation since I don't believe Barclays acted inappropriately in taking the actions that it did when it blocked Mr Z's account.

Whilst Barclays are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr Z's account was blocked on 23 November 2022 and the review was completed on 1 December 2022. Given everything I've seen I can't say there were any undue delays. So, I'm satisfied that Barclays completed its review of Mr Z's account in a timely manner.

I've next gone on to consider whether Barclays acted fairly when it closed Mr Z's account. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a fair and legitimate manner.

It seems Mr Z understands and accepts this point. But he wants to know why Barclays won't provide him with banking services. I appreciate that Mr Z says that he finds this quite insulting and disrespectful – it can't be pleasant being told you are no longer wanted as a customer. But Barclays isn't required to give a reason for closing an account. So, I can't say Barclays has done anything wrong by not giving Mr Z this information, as much as he'd like to know.

Barclays can close accounts in certain circumstances, and it sets this out in the terms and conditions. I've looked at the terms and conditions of Mr Z's account and they state that the bank can close an account immediately – or give notice of at least two months. Barclays accepts that it shouldn't have closed Mr Z's account immediately and that it should have given him its full notice period of at least two months. I've looked at the information regarding the reasons behind Barclays' decision to close Mr Z's account. And I agree that it should have provided Mr Z with more notice. However, I'm satisfied overall, that the bank had sufficient grounds to close Mr Z's account. So, I won't be asking Barclays to reopen his account.

I know Mr Z is upset that Barclays closed his account at all - regardless of how much notice he was given. I can appreciate finding out that his account was being closed immediately would have come as a shock to Mr Z – especially as just a few days before he received the notice to close letter from the bank, he was under the impression that following the bank's review his account was back to normal. So, finding out within a week that this wasn't the case would have no doubt been upsetting for Mr Z.

Barclays has apologised and offered Mr Z £200 compensation for any trouble and upset the lack of notice caused him. Mr Z wants more compensation and has explained that he wants to prevent what happened to him happening to other customers. He also wants compensation for the negligence of the staff responsible for closing his account.

I've considered what Mr Z has said about how Barclays actions impacted him and I've not doubt this was a worrying and upsetting time for him. I should make clear that whilst I take on board Mr Z's comments about other customers, I am only concerned with the facts of this complaint. I also want to explain that there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact Barclays actions have had on Mr Z and decide within guidelines set by our service, whether compensation would be appropriate in the circumstances.

Having reviewed all the evidence, I agree compensation is appropriate. I say this because due to the lack of notice Mr Z had to quickly rearrange his standing orders and direct debits, which would have been inconvenient and time consuming. Barclays has recognised this and offered Mr Z £200 compensation. I'm satisfied that this is a fair amount of compensation and proportionate to the trouble and upset Mr Z was caused. And I won't be directing Barclays to pay Mr Z more compensation. In reaching this conclusion I've also kept in mind that Mr Z had at least one other bank account he could use. So, I think the impact of the immediate closure would have been minimised.

In summary, I'm satisfied that Barclays has made a fair and reasonable offer to put things right. So, I'm not going to ask Barclays to do anything more to resolve Mr Z's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint. To put things right Barclays Bank UK PLC should pay Mr Z £200 compensation for the trouble and upset this matter has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 27 November 2023.

Sharon Kerrison  
**Ombudsman**