

Complaint

Mr R is unhappy with Citibank UK Limited's ("Citibank") decision to close his accounts and his investments.

Background

In May 2023, Citibank took the decision to close Mr R's accounts (as well as linked investments) and it notified Mr R that it would be doing so in two months. Mr R complained about Citibank's actions. Citibank didn't uphold Mr R's complaint. As Mr R remained dissatisfied, Mr R referred the matter to our service.

One of our investigators looked into Mr R's concerns. He didn't think that Citibank had done anything wrong or treated Mr R unfairly and so didn't recommend the complaint be upheld.

Mr R disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I don't think that Citibank acted unfairly or unreasonably towards Mr R and so I'm not upholding his complaint. I'll explain why in a little more detail.

As our investigator explained to Mr R, a bank is generally under no obligation to continue offering an account or services to a consumer, if it doesn't wish to do so. In Mr R's case, Citibank explained that its United Kingdom (U.K) business was closing all accounts where the customer didn't meet its new specified qualifying criteria. As Mr R's investments didn't see him meet that criteria Citibank notified him it was going to close his accounts.

As each bank is entitled to set and adjust its own commercial criteria when deciding whether to provide a customer with an account, I'm satisfied that Citibank was entitled to change its criteria. And there appears to be no dispute that Mr R's circumstances didn't meet the new criteria either. Furthermore, Mr R was provided with two-months' notice prior to closure (which is the generally accepted timeframe provided in the industry) and Citibank also confirmed that it would not be charging Mr R to transfer his investments to a new broker – although this did not extend to charges for selling any bonds.

I appreciate that Mr R believes that two months was not a sufficient period of time and that he's also said he has incurred costs which he wouldn't have incurred, had his investments stayed in place. I agree that Mr R might not have incurred any costs had Citibank not decided to change its qualifying criteria for accounts and he'd been able to keep his accounts until his investments matured. However, I've already explained that Citibank was entitled to change its qualifying criteria in the way that it did.

Furthermore, Mr R would always have had to incur the costs of setting up a new account elsewhere at some point, or liquidating his investments, even if Citibank had provided him with a longer period of time before closing his accounts. The offer to waive fees was only in relation to transferring investments. It wasn't in relation to selling them and there was no indication the set-up costs for a new account would be paid.

In these circumstances, I can't reasonably say that Citibank ought to have provided Mr R with longer before his accounts were closed. I say this particularly as Mr R says that it was unlikely that he would be able to set up an equivalent wealth account elsewhere given the size of his portfolio.

So overall I'm satisfied that Citibank had sufficient grounds to close Mr R's account for the reasons it did and in the way that it did. As such its decision wasn't unfair in the circumstances.

I realise that Citibank's decision will have been very disappointing to Mr R and I can appreciate why the closure of his accounts will have caused him inconvenience. But despite this, I'm simply not in a position to be able to tell Citibank it has to continue offering Mr R an account in circumstances where it legitimately decided it no longer wished to provide him with one.

Overall and having considered everything, I don't think that Citibank has acted unfairly or unreasonably towards Mr R and I'm not upholding this complaint. I appreciate this will be very disappointing for Mr R. But I hope he'll understand the reasons for my decision and that he'll appreciate why Citibank was entitled to close his accounts.

My final decision

For the reasons I've explained, I'm not upholding Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 April 2024.

Jeshen Narayanan
Ombudsman