

The complaint

Mr A complains that Barclays Bank UK PLC (trading as Barclaycard) unfairly closed his account without providing a proper explanation. He wants Barclays to reopen his account and give him the reasons it closed his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In January 2023, Mr A received a letter from Barclays, saying it was closing his credit card account. And giving him 60 days' notice.

Mr A contacted Barclays to try and find out why the bank wanted to close his account. But Barclays gave him no reason about why it no longer wanted him as a customer. Mr A wants Barclays to explain to him why his account has been closed. Barclays said that it had closed the account in line with the terms and conditions. And didn't have to tell Mr A why.

Unhappy with this response Mr A brought his complaint to our service. He said Barclays had closed his account unfairly. And had also closed all of his other accounts, around the same time, which he doesn't think is a coincidence. He explained that he'd always used his account properly and if Barclays needed him to provide any information in relation to his account, he would've been happy to provide anything it requested. But Barclays hadn't asked him for any information.

One of our investigators looked into what had happened. After looking at all the information and circumstances of Mr A's complaint, he didn't think Barclays had treated Mr A unfairly when it had closed his account. So, he didn't uphold the complaint.

Barclays agreed with the investigator's view. Mr A didn't. He said Barclays closed his account unfairly. He wants Barclays to provide a proper explanation for why it closed his account.

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 can understand it would have been upsetting for Mr A to learn his credit card account was to be closed and no explanation given by Barclays why that was. While not trying to minimise the upset and frustration this no doubt caused Mr A, under Section 19 of the terms and conditions of Mr A's account, Barclays can close an account without providing a full explanation why.

That's because Barclays is entitled to close an account with Mr A just as he is entitled to close his account with Barclays. 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 a 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 legitimate manner, this service won't usually intervene. But before Barclays closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Barclays could close Mr A's account by giving him at least 60 days' months' notice. I've seen the notice to close letter that Barclays sent Mr A in January 2023, giving him the full notice period, so I'm satisfied that they have complied with this part.

I've next gone on to consider whether Barclays's reason for closing the account was fair. In doing so, I appreciate that Barclays are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Barclays has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr A due to its commercial sensitivity. But I've seen nothing to suggest Barclays's decision around closing Mr A's account was unfair. On balance when considering Barclays's wider regulatory responsibilities and all the information available to me, I find Barclays had a legitimate basis for closing Mr A's account and not tell him why. So, I don't find Barclays treated Mr A unfairly when it closed his account. And I won't be asking Barclays to reopen his account.

In summary I realise Mr A will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Barclays have treated Mr A unfairly when it closed his account. So, I won't be telling Barclays to do anything to resolve Mr A's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 February 2024.

Sharon Kerrison
Ombudsman