

The complaint

Mr A complains that Barclays Bank UK PLC unfairly closed his accounts.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Mr A has held accounts with Barclays for several years. Mr A has told us he suffers with mental health issues and is known by members of staff at his local branch to be vulnerable. Last September 2022 Mr A visited his local branch. Barclays says that whilst Mr A was in a side office, he threatened a member of staff and there was an altercation. Other members of staff became involved, including the branch manager, and Mr A was persuaded to leave. The Police were not called.

Barclays branch manager has explained that due to Mr A's volatile behaviour and the most recent experience in branch they took the decision to close his accounts and give 30 days' notice. A letter was issued to Mr A but his address was registered at the local branch. So the letter wasn't sent to an address Mr A was residing at.

When Mr A next visited the branch a short time later, he was advised his account would be closed and asked to withdraw all his money. Mr A's accounts were closed by branch staff on the same day.

Mr A's sister has told us she later found him living rough. Mr A explained his accounts with Barclays had been closed and he had no access to his benefits. Mr A's sister (Mrs V), went on to raise a complaint with Barclays and spoke with it on his behalf. Mrs V explained Mr A suffered with significant mental health conditions which means his behaviour can be erratic. Mr A's told us that he doesn't recall the incident in branch that led staff to take the decision to close his accounts.

Barclays sent Mr A a final response in December 2022 and upheld his complaint. Barclays said it should've done more to let Mr A know about its decision to close his accounts and went on to reopen them. Barclays also paid Mr A £200 for the distress and inconvenience caused. Mr A's complaint was forwarded to this service and passed to an investigator. Within its file submission, Barclays said its branch staff shouldn't have closed Mr A's account in the way it had. Barclays explained that Mr A was recorded on its systems as being vulnerable and that, in the circumstances, his accounts should've been referred to a specialist support team to manage the closures and ensure he was provided with the relevant notice period. Our investigator thought Barclays had dealt with Mr A's case fairly and didn't ask it to do anything else.

On Mr A's behalf, Mrs V asked to appeal. Mrs V said it was unfair for Barclays to close his account without notice, leaving him without access to his benefits. Mrs V also pointed out branch staff were aware of Mr A's vulnerable state when it closed his account, leaving him without banking facilities. As Mrs V asked to appeal Mr A's complaint, it's been passed to me to make a decision.

What I've provisionally 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've been reasonably brief in setting out the background above as all parties broadly agree about the key events surrounding Mr A's complaint. Mr A has told us that his mental health issues mean his behaviour can be erratic at times, but doesn't recall the specific incident that led to the accounts being closed. Branch staff have confirmed they know Mr A and have acted as his bank for several years. Branch staff have told us Mr A can be challenging at times and that the issue that led the accounts to be closed wasn't isolated.

Businesses can choose to end a banking relationship with a customer for various reasons. I've looked at the relevant terms and conditions and can see they allow Barclays to close accounts by giving notice in certain circumstances. And Barclays can choose to close an account without giving any notice in other situations, like when an account holder is abusive or threatening. So I'm satisfied the relevant account terms do allow Barclays to take a decision to close accounts.

The issue here is that Barclays has confirmed its branch staff know Mr A and were aware he's vulnerable. Barclays has provided systems evidence to show an "Extra Care" note was attached to Mr A's customer profile and explained that instead of taking the decision to close his account, branch staff should've referred his case to a specialist support team that works with vulnerable customers. Given what branch staff knew about Mr A's circumstances, he should've been referred to a specialist team but that didn't happen. And I think there was a significant impact on Mr A as a result.

The branch manager has explained he wrote Mr A a letter in September 2022 requesting he visits the branch to discuss his account with the manager. Mr A's told us he was homeless at the time, so his address had been amended to the same as the branch. The manager says Mr A's address was amended to the branch's after he raised concerns about housemates stealing his post. Either way, the branch manager should have been aware that sending a letter to the branch asking Mr A to attend the same branch wouldn't have been received. That meant, when Mr A next visited Barclays in October 2022 he wasn't aware of any issues following his previous attendance. And Mr A's account was essentially closed without providing any notice, with him being asked to withdraw all the available funds on the same day.

Mrs V has confirmed Mr A was homeless at the time and the way his accounts were closed meant he was without access to banking facilities so he couldn't access benefit funds. Given branch staff appear to have been reasonably aware of Mr A's vulnerable situation, I think the way his accounts were closed was unfair. And I'm satisfied there was a significant impact to Mr A by failing to refer him to a specialist support team that could've tailored Barclays' approach to closing his accounts and ensure the impact of doing so could be reduced as far as possible.

I can see Barclays reopened Mr A's accounts when it responded to his complaint in December 2022. But by that point, Mr A appears to have moved his banking arrangements to another business so the accounts have remained unused and inactive. I can see Barclays paid £200 compensation into one of the accounts when it responded to Mr A's complaint but those funds remain.

Based on the information I've seen so far, I'm not persuaded that a payment of £200 (in addition to reopening Mr A's accounts) is a fair way to resolve his complaint. In my view, that

figure fails to recognise the level of distress and inconvenience caused to Mr A taking his circumstances at the time into account. In my view a higher payment to reflect the impact of the removal of Mr A's banking facilities without providing any support to a vulnerable customer is fair. I think a payment of £800 more reasonably reflects the impact of the issues raised on Mr A and is a fairer way to resolve his complaint. So based on the available information, I intend to uphold Mr A's complaint and direct Barclays to pay him a total of £800 for the distress and inconvenience caused.

I asked both parties to respond with any additional points or information they wanted me to consider before I made my final decision. Mrs V responded and said she was pleased her brother's experience had been recognised in the provisional decision. Mrs V also provided an update on Mr A's current circumstances and explained that he hasn't opened new accounts elsewhere so continues to bank with Barclays. Barclays responded to confirm it is willing to settle in line with the provisional decision.

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'm pleased Mrs V has confirmed she feels her brother's complaint has been fairly considered and we've reached a fair outcome. As neither party has provided new information for me to consider, I'm going to proceed in line with the settlement I reached in my provisional decision and uphold Mr A's complaint.

My final decision

My decision is that I uphold Mr A's complaint and direct Barclays Bank UK PLC to pay him a total of £800 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V on Mr A's behalf to accept or reject my decision before 6 September 2023.

Marco Manente
Ombudsman