

The complaint

Mrs P complains that Barclays Bank UK PLC blocked and closed her account without notice. She'd like an explanation and compensation for the impact.

What happened

Mrs P had a current account with Barclays.

On 26 January 2023 Mrs P's account was restricted, and her funds were removed. Mrs P's account also showed an overdrawn balance of £500,000.

Mrs P complained to Barclays about the restriction. But Barclays thought they'd acted fairly. And during the call with Mrs P they explained that the overdraft wasn't a debt she was liable for.

On 8 February 2023 Barclays released Mrs P's funds, which she collected in branch on 22 February 2023. On 9 February 2023 Barclays also sent Mrs P a letter informing her that her account was being closed with immediate notice.

Mrs P wasn't happy with Barclays' actions so complained to our service.

One of our investigators looked into Mrs P's complaint. But, having reviewed all of the evidence they concluded Barclays were entitled to carry out a review and they followed the terms and conditions when immediately closing Mrs P's account.

Mrs P didn't accept our investigators view. In summary she said:

- Barclays hadn't updated her about the block, and communicated poorly throughout
- There are five reasons why her account could be closed immediately, but she didn't breach any of these terms.
- She should have been provided with 30 days' notice

As Mrs P didn't agree it's 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.

Barclays are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. Having looked at what's happened I appreciate why Mrs P may have found this inconvenient, but Barclays must ensure they keep their due diligence checks updated at all times.

I've considered the length of the review, and Barclays actions during it. Barclays have advised our service that they asked Mrs P for information about the source of funds in her account. But, I've not seen any evidence to support this. Barclays do have a duty to protect their customer's money and understand where it came from, so I wouldn't find this unreasonable *if* it had been asked.

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 that we considered should be kept confidential. From the evidence Barclays have provided, I'm satisfied that the review period from 26 January 2023 to 7 February 2023 was fair. I'm pleased to see that Mrs P's funds were made available to her on 8 February 2023 and these were successfully collected on 22 February 2023.

At times, following a review, banks sometimes choose to end their relationship with customers. This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Just the same as if Mrs P decided to stop banking with Barclays, they wouldn't have to explain why. In this case Mrs P's account was closed *immediately*. Mrs P's right that on looking at the terms and conditions there are a certain number of limited reasons why Barclays can close her account immediately. But, I'm afraid, having reviewed these I'm satisfied Barclays applied their terms fairly here.

Mrs P is also unhappy that Barclays failed to notify her about the account restriction. I appreciate it likely caused her anxiety and inconvenience in not being informed but having reviewed the terms and conditions of Mrs P's account – and taking into account Barclays' legal and regulatory obligations – I'm satisfied they were under no requirement to let Mrs P know about the block.

For the reasons I've outlined above I won't be asking Barclays to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 26 February 2024.

Jeff Burch
Ombudsman