

The complaint

Mr A complains that Barclays Bank UK PLC blocked and then closed his account.

What happened

Mr A had an account with Barclays. In December 2022, Barclays blocked Mr A's account while it carried out a review. It asked Mr A to provide information about a payment to his company. In February 2023, Barclays decided to close Mr A's account. It said it would do this in April 2023. Dissatisfied, Mr A complained to Barclays.

Barclays looked into this. It told Mr A its decision to close the account was correct. But it should have removed the block from the account when it decided to close Mr A's account. As a result, Mr A wasn't able to access the account until early March. By way of apology, it offered to pay Mr A £100. Mr A then referred the complaint to us.

Barclays looked at the complaint again and offered Mr A an additional £100. Our investigator looked at this and thought what Barclays had offered was fair. Mr A doesn't agree. The complaint has 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.

Like all financial businesses, Barclays is subject to legal and regulatory requirements. These mean it may need to review an account at any time – and when it does this it doesn't need to give reasons. Based on what I've seen, I'm satisfied Barclays was acting in line with its legal and regulatory requirements when it blocked Mr A's account.

Barclays then decided to close Mr A's account. The terms and conditions that apply to Mr A's account say that Barclays can do this for any reason if it gives Mr A at least two months' notice. In this case, Barclays wrote to Mr A in February saying it would close Mr A's account in April. This complies with the relevant terms and conditions. Where Barclays closes accounts in these circumstances, it doesn't need to give reasons – and nor would it be appropriate for me to tell Barclays to share its reasons with Mr A, much as he'd like to know.

With all this in mind, I can't conclude Barclays treated Mr A unfairly when it blocked and then closed the account.

Barclays admits it did take longer than it should have to remove the block from Mr A's account. It has offered £200 to put things right. I therefore need to consider if this offer is fair.

Where I award compensation for distress or inconvenience, this isn't to punish the business but to reflect the impact Barclays's actions had on Mr A. I've concluded it was fair for Barclays to close Mr A's account. So that was always going to happen. I don't doubt, though, that it was inconvenient for Mr A to lose access to the account for those additional three weeks.

Thinking about everything, I'm satisfied the £200 Barclays had offered is fair compensation in the circumstances of Mr A's complaint. So that's what I'm going to tell Barclays to pay Mr A.

My final decision

I uphold this complaint. Barclays Bank UK PLC should pay Mr A £200 to reflect the trouble and upset it caused. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2024.

Rebecca Hardman
Ombudsman