

## The complaint

Ms R complains Barclays Bank UK PLC ("Barclays") closed her accounts without notice nor explanation. Ms R says this caused her substantive distress and inconvenience.

## What happened

Barclays sent Ms R a letter on 21 February 2023 urgently requesting that she sends it information relating to the origin of funds in her accounts. This was part of its "Know Your Customer" (KYC) review. The letter set out that Barclays needed information in relation to over 200 payments into Ms R's accounts.

Ms R sent Barclays her response to this in the post via a returns envelope that was enclosed. Barclays say it later sent Ms R a letter notifying her of its decision to close her accounts on 31 May 2023. The letter gave Ms R two months' notice of closure. Ms R says she didn't receive this letter and the first she knew of her accounts closing was when she no longer had access to them in August 2023.

Ms R says this caused her significant distress and inconvenience as she had to move all her banking requirements to a new account and had she have known previously she could have made provision. Ms R says she was pregnant and for some of the time this was ongoing and had a new-born baby to look after when the accounts were closed. Because of this, she felt traumatised by what Barclays had done.

Ms R was able to withdraw her funds from one of Barclays' branch's shortly after the accounts were closed. Unhappy with Barclays' actions, Ms R complained. Barclays didn't uphold Ms R's complaint. In short, it said:

- On 31 May 2023, Barclays issued Ms R with notification it was closing her accounts in 62 days' time
- The accounts were closed correctly
- Barclays are sorry Ms R didn't receive the notification of closure letter. Barclays sent it and relied on the Royal Mail to deliver it

Ms R referred her complaint to this service. One of our Investigator's looked into Ms R's complaint, and they recommended it isn't upheld. In short, the key findings they made were:

- Barclays closed Ms R's accounts fairly and in line with the terms of the account by giving her 60 days' notice
- Once the accounts closed, Ms R was able to retrieve her funds in branch on 14 August 2023
- Barclays has sent a correctly addressed copy of the closure notification letter and system evidence showing it sent this to Ms R in May 2023. This was a reasonable method of communication

Ms R and her representative didn't agree with what our Investigator said. She argued that Barclays didn't correctly send out the notification letter. She also said that Barclays should have sent notification by other communication channels like email and SMS message.

Ms R also said that Barclays didn't receive her source of funds evidence that she'd sent. And so it closed the accounts without reviewing her responses to its KYC checks.

In response, our Investigator said they'd seen enough evidence to show the closure notification letter was sent. They also said it was normal for banks to send such closure notices in the post and it's not required to send it through various communication channels. Our Investigator also explained that Barclays had received Ms R's KYC documents in March 2023.

Ms R said she was told Barclays didn't get the KYC documents by one of its staff members on a call.

As there was no agreement, this complaint has now 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.

Having done so, I've decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Barclays, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

These obligations generally cover the entire period of its customer relationship – from application to eventually the end of the relationship. This includes KYC checks and/or Customer Due Diligence (CDD). It's worth noting these checks include not just the verification of a customer's identity, but also establishing the purpose and intended nature of the business relationship and origin of funds.

So, given the various obligations Barclays must adhere to, including KYC, I'm satisfied it was acting in line with these when it initiated a review on Ms R's accounts.

Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Barclays and Ms R had to comply with, say that it could close the account by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Barclays gave Ms R two months' notice of its intention to close the accounts and did so without restricting any access to them. Barclays has also explained and given me information as to why it chose to close Ms R's accounts. Having carefully reviewed this, I'm persuaded that Barclays acted in line with the terms of the account in closing them in the way it did.

It's likely Ms R would like a more detailed explanation as to why Barclays closed her accounts in this way. But it is under no obligation to do so.

Ms R says she never received the closure notification letter. I have no reason not to accept what Ms R is saying – after all, letters do sometimes go missing. But Barclays have shown me a copy of this letter which was correctly addressed. And I haven't seen that Barclays were given any information that Ms R was having issues receiving her letters or wanted letters sent through a different communication channel.

So I think Barclays has acted reasonably in sending the closure notification by letter. Therefore, even if Ms R didn't receive it as she says, Barclays acted as it should have by sending it by letter.

Ms R says this matter has caused her significant distress and inconvenience. I do appreciate this matter would've caused her some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Barclays given that I don't think it failed to properly follow its own procedures when it closed Ms R's account.

So I'm not going to ask Barclays to compensate Ms R for any distress and inconvenience this may have caused.

Lastly, I note Ms R says she was told by one of Barclays' staff members on a call that it hadn't received her documents as part of the KYC review. I haven't been able to listen to any such call. But I have seen the information Ms R sent into Barclays, and that it was received in March 2023. So I don't think Ms R needs to worry that her accounts were closed because of this information not being received by Barclays.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 28 February 2024.

Ketan Nagla  
**Ombudsman**