

## **The complaint**

Mr M complains Barclays Bank UK PLC ("Barclays") blocked his account without explanation, and later closed it without notice. Mr M also complains about the customer service he's received.

Mr M says Barclays' actions have caused him substantive financial loss, distress, inconvenience, and embarrassment.

## **What happened**

Mr M has appointed a representative, but to keep matters simple, I will mainly only refer to him in my decision.

Following an internal review, Barclays restricted Mr M's account on 8 March 2023. In doing so, it removed funds from his account and put them in one of its holding accounts. Barclays also placed Mr M's account into a false overdraft position of around £500,000 whilst it continued its review.

Mr M called, and went to Barclays' branch, on several occasions for an explanation and to recover his money. Unhappy with what Barclays had done, Mr M complained. Barclays didn't uphold Mr M's complaint. In summary, it said:

- As a regulated business, Barclays is subject to certain regulatory obligations which requires it to withhold transactions and services, and at times block accounts. Barclays has made no error in blocking Mr M's account in the way it has
- Barclays can place safeguards on its customers' accounts as detailed in its Customer Retail Agreement. And it doesn't need to provide any reasons
- After removing funds from Mr M's account, they were returned on 22 March 2023 with the narrative 'to reconcile'
- The overdrawn balance on Mr M's account was not an actual debt, but it was a marker Barclays applied whilst the review took place
- Barclays apologised for the poor customer service it provided including for call-back promises not being kept. Barclays offered Mr M £200 for the distress and inconvenience this caused

Barclays also informed Mr M it was closing his account with immediate effect. Mr M was told he can withdraw his funds by going into one of Barclays' branches with proof of identity.

Dissatisfied with Barclays' response, Mr M referred his complaint to this service. One of our Investigator's then looked into Mr M's complaint. In summary, they found:

- Barclays acted fairly, in line with its regulatory responsibilities and with the terms of the account when blocking and closing it

- Barclays isn't obliged to explain why it acted in this way
- Barclays acknowledged it provided Mr M with poor customer service and offered him £200 compensation. This is fair and reasonable

Mr M didn't agree with what our Investigator said. As there is no agreement, this 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.

Having done so, I've decided not to uphold this complaint. I know Mr M feels strongly about his complaint, and I don't undervalue the impact he says Barclays' actions have had on him. So, I'll explain why.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr M and Barclays have said before reaching my decision.

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.

Barclays has given this service information and supporting evidence as to why it reviewed and restricted Mr M's account. Having reviewed, and carefully considered this, I'm satisfied Barclays did so in line with the obligations it must follow.

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 Mr M had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

I'd like to assure Mr M that I've very carefully considered everything he has said about Barclays' decision to close his account without notice. But having looked at the information given to me by Barclays, I'm satisfied it was entitled to close the account in the way that it has done.

I know Mr M wants a detailed explanation as to why Barclays decided to block and close his account. And that he should be given an opportunity to examine the information Barclays has provided to this service so that he can comment and challenge anything if required. Mr M says that in not doing so the process is procedurally unfair.

Barclays is under no obligation to give Mr M an explanation. I would add too that 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 we consider should be kept confidential.

Mr M says he has lost out financially because of Barclays blocking his account – especially as he wasn't able to buy a car for which he unnecessarily had to pay a driver to pick up. I note Mr M says he was going to buy this for his new family after the birth of his child. But he's said in one of the calls I've listened to that he was buying the car as part of his business.

Mr M has also said that Barclays' actions led to him not being able to pay for other important items and celebrate the birth of his child as he wanted to. So he had to borrow from friends and family causing him substantive embarrassment. I don't doubt this matter caused Mr M difficulty in the way he has described.

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's done anything wrong in blocking and closing Mr M's account in the way it has. So I'm not going to ask Barclays to compensate Mr M for any distress, inconvenience, embarrassment, and financial loss the block and closure may have caused him.

Mr M has also complained about the customer service Barclays provided to him. I note Barclays accept it's fallen short of its own standards here - mainly because it failed to call Mr M back as promised, and for calls dropping with no immediate action taken.

I think that these failings would have exacerbated what was clearly a difficult time for Mr M. I've also listened to all the calls Barclays has provided to me, and I can hear how frustrated and upset Mr M is by what was going on. I do think he was dealt with professionally and courteously on these calls. But as I've said, and as Barclays accept, they didn't call him back as promised and calls did drop without any remedial action taken.

I've also noted that Mr M wasn't happy his account was placed in a false overdraft position of around £500,000 whilst Barclays conducted its review. Barclays say this is part of its internal process whilst such a review takes place. That may be the case, but in isolation, I'm persuaded finding out your account is in debt by this amount would cause panic and alarm - albeit its somewhat mitigated by an explanation quickly being given when Mr M called Barclays.

Having carefully weighed up the impact the poor customer service had on Mr M, I'm satisfied Barclays' offer of £200 is fair compensation for the distress and inconvenience this caused. So I don't it needs to do anymore.

### **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 Mr M to accept or reject my decision before 24 April 2024.

Ketan Nagla  
**Ombudsman**