

The complaint

A company I'll call I complains that Barclays Bank UK PLC (Barclays) closed its accounts, without giving it notice, then failed to provide account statements on request and sent confusing text messages in connection with I's Bounce Back Loan (BBL)

I is represented by one of its directors, Mr F.

What happened

On 31 August 2022 Barclays issued a letter to I, giving it two months' notice of its intention to close I's accounts. It sent the letter to I's business address, but Mr F says he didn't receive it. That meant that I's account closed before Mr F could make any alternative plans, which caused I various issues.

Mr F complained to Barclays, saying he was unhappy I's account had been closed without notice, that he had been sent confusing text messages, and that he had been unable to obtain copies of I's bank statements, which he needed to avoid I being struck off the register at Companies House. He said he had tried to get the statements online, but was unable to as I's account had been closed, and that he had also tried in branch, on the phone and by email.

Barclays issued its final response to Mr F's complaint on 1 June 2023. It said it had sent the notice to close letter to I's correct address, and that it had closed the account in line with its terms of business. It apologised for the confusion caused by the text messages, but explained that they were standard messages sent to all customers who had missed payments on their BBL. It noted that Mr F had since managed to obtain the statements he wanted, but it apologised for the difficulties Mr F had experienced in getting hold of them, and paid £50 in compensation.

Mr F remained unhappy, so he brought I's complaint to our service. Our Investigator looked at the complaint, but she didn't uphold it. She said Barclays was entitled to close the account in the manner it did, and that it had compensated I sufficiently for the inconvenience caused by the delay in providing statements. She also noted that Barclays had written off the balance owed on I's BBL.

Mr F didn't accept our Investigator's findings. He said Barclays had caused I to incur fines and accountancy fees and felt Barclays should pay further compensation. He asked for an Ombudsman to review the matter afresh.

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.

Most of the problems Mr F has complained of stem from I's account being closed, without his knowledge. So I've looked to see if Barclays was entitled to close the account and whether or not it was responsible for the fact that Mr F didn't receive the notice to close I's account.

A bank is entitled to close an account with a customer, so long as it does so in a way that complies with the terms and conditions of the customer's account. Barclays' terms of business say it can close I's account by giving two months' notice and its letter dated 31 August 2022 said I's account would close on 31 October 2022, i.e. two months after the date of the letter.

Barclays has provided our service with a copy of the letter it sent, and I can see that it was correctly addressed and dispatched in time. Given what Mr F has told our service, I don't doubt that he wasn't aware of the closure. But because I'm satisfied Barclays sent a notification in accordance with its terms and conditions, I don't hold it responsible for Mr F not being aware of the notice.

I've also looked at the evidence Barclays provided our service to determine whether or not it acted fairly when it closed I's account. And having done so, I'm satisfied that it did and that it was entitled to close I's account in the manner it did, and that it doesn't have to explain the reasons for its decision to Mr F.

I recognise the account closure caused Mr F problems, particularly given that he couldn't access his statements. And I agree Barclays should have been able to provide copies of those statements more quickly. But there are two reasons I won't ask Barclays to pay any further compensation. Firstly, because I don't hold Barclays responsible for the notice to close not reaching Mr F, it follows that I won't ask it to pay any compensation for losses flowing from the sudden closure of the account. And I think that issue is what caused the most significant problems here.

And secondly, Barclays' customer is I, not Mr F. so I can only award compensation for difficulties experienced by I, not Mr F personally. So, while I have no doubt Mr F experienced significant distress, I can't ask Barclays to compensate Mr F for that distress. And I can only ask it to compensate I for any inconvenience it experienced as a result of Barclays' error. Given Mr F was ultimately able to obtain the statements, I'm satisfied £50 is fair compensation to reflect the inconvenience caused by the delay in Barclays providing those statements.

I understand Mr F was confused by the text messages he received, but I'm satisfied they were sent appropriately given I had missed payments on its BBL. And I've seen correspondence from Barclays confirming the BBL had been called in. So I won't ask Barclays to compensate I for the confusion Mr F experienced.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 7 June 2024.

Alex Brooke-Smith
Ombudsman