

The complaint

A company I'll call F complains that Barclays Bank UK PLC (Barclays) closed its account and caused it difficulties in communicating with Barclays when it tried to discuss repaying a Bounce Back Loan (BBL) it had taken out.

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

What happened

On 31 August 2022, Barclays issued a letter to F, notifying it of its intentions to close F's account. This letter followed several other letters, saying F had missed a number of payments on its BBL.

Mr F tried to speak to Barclays about a number of text messages he received about the BBL, but said he wasn't able to do so because Barclays passed him around to different departments when he called, and that his local branch wasn't able to help. He also said he had been given mixed messages as to whether or not F's account was open. Ultimately, Barclays called in the BBL, after F had failed to make the agreed payments. Mr F complained about Barclays conduct throughout the whole process.

Barclays issued its final response to F's complaint on 23 May 2023. It said it had correctly closed F's account, and that it called in F's BBL after F missed 5 payments. It referred to a call between Mr F and Barclays on 6 September 2022 when Barclays had offered to refer Mr F to its financial assistance department, but that Mr F had declined and said he would find a solution himself. It said it had referred the debt to recoveries in line with its process, and that it had made no mistakes when it did so.

Barclays accepted it had the wrong address on file, but said Mr F had not provided Barclays with an updated address, so it didn't accept it was at fault for any correspondence that went missing. Barclays explained that it hadn't replied to Mr F's emails because he had sent them to a department that doesn't correspond with customers by emails, but it did apologise for sending Mr F notifications that confused him as to whether or not F's account was open. To put things right, it offered to pay F £100.

Mr F didn't accept Barclays' outcome, so he brought his complaint to our service. Our Investigator looked at all the evidence provided by both parties, but she didn't uphold F's complaint. She said it had followed the correct process when it closed F's account, and she was satisfied it had sent all correspondence to the correct address. She said there was no evidence Mr F had tried to repay the BBL and she felt Barclays had followed the correct process in calling the debt in.

She did agree that Barclays had ignored Mr F's emails, and had confused him as to whether or not F's account was open. But she felt £100 was sufficient compensation for that, so she didn't ask Barclays to do anything more.

Mr F didn't agree. He said the debt recovery company had acknowledged Barclays wrote to the wrong address. And he remained unhappy with Barclays' communication. He wanted

more compensation, so 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.

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 F's account by giving two months' notice and its letter dated 31 August 2022 said F'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. So, I'm satisfied it gave the correct notice. I've also looked at the evidence Barclays provided our service to determine whether or not it acted fairly when it closed F's account. And having done so, I'm satisfied that it did and that it was entitled to close F's account in the manner it did, and that it doesn't have to explain the reasons for its decision to Mr F.

Mr F says the debt collection company acknowledged Barclays had written to the wrong address, but I don't agree. The address Barclays wrote to was the address it had on its system, and was the same address it had been using for a long time. Mr F may well have stopped using that address, but I've seen nothing to demonstrate he provided a new address to Barclays, save for an email of 22 December 2022, when he said there was no new address and that he should receive all correspondence by email. But that email was after all of these issues happened, so doesn't affect my decision.

I recognise Mr F had difficulty in contacting Barclays, but I'm not persuaded that difficulty changed F's situation significantly. F had fallen into arrears on its BBL and ultimately Barclays defaulted the loan, as it is entitled to do. And I've seen nothing to suggest that F wouldn't have fallen into arrears, had Mr F been able to speak to Barclays: the letters were issued over several months and Mr F has produced no evidence to show he was able to repay the BBL or that he attempted to do so.

I recognise Mr F had difficulty in speaking to Barclays and that he was confused as to whether or not F's account was open, and I agree it should pay compensation to recognise the inconvenience F experienced as a result. However, I won't ask Barclays to increase its compensation. Barclays' customer is F, not Mr F. so I can only award compensation for difficulties experienced by F, 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 F for any inconvenience it experienced as a result of Barclays' error.

Mr F also sent our service a letter he'd received from Barclays dated 9 April 2024, in which Barclays apologised for an error on its system that meant it had not sent F statements between 2015 and 2019. He said that was evidence of Barclays' incompetence. I've considered that letter, along with everything else both parties have sent our service, but it doesn't change my decision. Evidence that a bank has made an error in the past does not mean it made a different mistake in the future. So the letter has no bearing on my outcome.

While I can see this was a difficult time for Mr F, I take the view that most of his difficulties were caused by F's inability to repay its BBL. And so, I'm satisfied that Barclays has done enough by offering £100 in compensation for the inconvenience its communication caused.

My final decision

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

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

Alex Brooke-Smith
Ombudsman