

The complaint

Mrs M complains about Barclays Bank UK PLC closing her ISA account causing her anxiety and a financial loss.

What happened

Mrs M had a longstanding ISA that transferred to Barclays in 2012.

In September 2021, Mrs M received a letter from Barclays titled *'We'll close your cash ISA if we don't hear from you'* which explained:

- They'd noticed she hadn't made any transactions for quite a while.
- That to help reduce the potential for fraud or identity theft she needed to let them know if she wanted to keep this account open.
- They'll automatically close her account on or shortly after 15 December 2021 if they didn't hear from her.

Mrs M says she sent them a letter stating she wished for her account to remain open and, as she *'did not receive any further correspondence, did not think anything further'*. And, in September 2023, she was extremely shocked to be advised that her account couldn't be found.

When Mrs M complained to Barclays, they explained that they didn't make an error as they didn't receive her letter. And they moved her money to a secure central account where it would still earn interest with the tax status of an ISA preserved. Also, as they had to treat it as a dormancy reclaim it could take up to 12 weeks to locate her closed account.

Mrs M brought her complaint to our service seeking reinstatement of her funds as an ISA with full tax free status, interest that has accrued whilst Barclays held these funds, restitution for her loss of interest due to the fact she couldn't transfer the funds and compensation for the anxiety caused.

Our investigator didn't think Barclays had treated Mrs M unfairly when deciding to close her account and said she wasn't recommending that Barclays did any more.

As Mrs M remains dissatisfied her complaint has been referred to me to look at.

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'm not upholding this complaint and I'll explain why. I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points Mrs M has made, even though I don't specifically address them all.

I'd first like to say I'm very sorry to hear of the anxiety Mrs M has experienced here.

I appreciate Mrs M expected Barclays to have followed up to their *'We'll close your cash ISA if we don't hear from you'* letter, and I recognise the benefit of this. However, I don't think Barclays made an error or were wrong in not confirming their subsequent closure action. I say this for the following reasons:

- A bank and customer can both choose to close a bank account
- I think it more likely than not that Mrs M received Barclays terms and conditions which includes:
 - *'If you haven't used your account for a long time, we may close it. We'll give you two months' written notice if we plan to do this, and explain to you what you can do to keep it open'.*
 - *'We can close an account (and stop providing any services and end this agreement) by giving you at least two months' notice', 'If there haven't been any transactions on your account for more than 24 months'.*
 - *'If there's any money in the account, we'll tell you how to reclaim it'.*
 - *'If we give you notice and we don't hear from you, we'll treat you as having accepted the change'.*
- I've seen evidence that Mrs M hadn't been actively using her account for more than 24 months
- Barclays September 2021 letter gave Mrs M:
 - An explanation I consider to be reasonable. This was that they couldn't see Mrs M using her account and they wanted to keep it safe from fraud and identity theft. And Barclays have legal and regulatory responsibilities to protect their customers from fraud. Also, commercial considerations.
 - More than 2 months' notice and said, *'If we haven't heard from you, we'll automatically close your account on or shortly after 15 December 2021'.*
- Barclays don't have a procedure or process that requires a confirmation letter and, as our service isn't the regulator of financial services, I can't require them to do so.
- I've seen that, prior to their closure action, Barclays were sending annual statements to Mrs M.

I recognise Mrs M says she sent a response to Barclays' September 2021 letter, and I'm persuaded that she did. But unfortunately, there is no evidence of Barclays having received this and Mrs M can't provide evidence that she posted this to them.

I appreciate Mrs M will be disappointed but, in the absence of any evidence of either receipt or dispatch, I can't say that Barclays have made an error in closing her account and putting it into dormancy and not issuing confirmation correspondence.

I understand and don't blame Mrs M for not keeping her postal evidence, not using or enquiring about her account or following up on the letter she sent Barclays. However, as there isn't any evidence of a Barclays error and I consider they:

- Were entitled to take the closure action.
- Clearly set out a reasonable rationale.
- Didn't know Mrs M had responded.
- Followed their procedures and terms and conditions of the account prior and post account closure.

I don't think it would be fair or reasonable to require Barclays to pay compensation to Mrs M or do any more here.

I fully understand Mrs M's upset, so I'm pleased to see that Barclays both found Mrs M's funds and recognised her anxiety. And I think their goodwill offer of £150 is fair.

As Mrs M didn't want to have her account closed, I also appreciate her frustration at having to wait up to 12 weeks and complete Barclays protocols in order to be reunited with her funds. However, as I'm satisfied that Barclays were following their procedure and don't think their closure action was unreasonable, I don't consider this to be an unreasonable request. Also, Barclays have said they would keep Mrs M's ISA savings safe, continue to accrue tax-free interest and ensure cash ISA status.

So, having considered the above and all the information on file, I'm not upholding this complaint.

My final decision

My final decision is I'm not upholding this complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 22 May 2024.

Paul Douglas
Ombudsman