

The complaint

Mrs S complains that Barclays Bank UK PLC blocked and closed her account and removed £963.09 without explanation. She would like her money returned, compensation and the account reopened.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs S had an account with Barclays. Barclays carried out a review on her account and asked Mrs S to provide information regarding the entitlement to some of the funds that had arrived in her account. In the meantime, they blocked her account on 11 March 2023.

Mrs S provided information to Barclays, but they didn't think this was enough. They asked Mrs S for more information on 16 March 2023.

Mrs S provided Barclays with the information they requested. Barclays have confirmed that the information they received from Mrs S was sufficient for their purposes but by the time it arrived to the relevant team, Barclays had already returned the funds back to the source.

Barclays sent Mrs S a 60 days' notice to close letter on 11 May 2023.

Mrs S brought her complaint to our service. One of our investigators looked into her complaint. She said Barclays were entitled to review her account and ask for information regarding proof of entitlement. She said because Mrs S had provided satisfactory proof of entitlement within the time frame given by Barclays, Barclays shouldn't have returned the funds to source. Our investigator thought Barclays should return £963.09 to her account and 8% interest on the funds from 28 April 2023.

Barclays agreed.

Mrs S disagreed she said she wanted substantial compensation and her account reopened. She said there was a balance of over £2,000 in her account when it was blocked so she thought Barclays were making up the amount of £963.09 and they were threatening her with false and fictitious transactions. She thought the case was about Barclays' serious misconduct, harassment and manipulation of its customers.

As there was no agreement the matter has come 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.

Review/ delay

I'll start by setting out some context for the review of Mrs S's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Barclays were complying with these obligations when they reviewed Mrs S's account and asked her to provide information about how she was operating her account.

Mrs S has said she was unhappy that Barclays were requesting information about payments that were made into her account some months earlier and she considers this to be evidence of Barclays being manipulative and serious misconduct. However, I disagree, Barclays is entitled to carry out a review and request information about payments in and out of the account even if they happened a few months prior to the review, so I can't say Barclays have acted unfairly by doing this.

I'm also satisfied that Barclays didn't cause any unnecessary delays in the review of Mrs S's account.

Mrs S provided some information to Barclays, but they requested extra information. Barclays have agreed they made an error and returned £963.09 to source even though Mrs S had provided Barclays with the further information they requested within the time frame. In addition, Barclays said they were satisfied with the proof of entitlement that Mrs S had provided.

I then turn to the closure of the account. Barclays wrote to Mrs S giving her two months' notice of their intention to close her account on 11 May 2023.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. I can see that Barclays wrote to Mrs S on 11 May 2023 and let her know it was closing her account giving her 60 days' notice. So, I'm satisfied Barclays closed the account in line with the account terms. And gave Mrs S adequate time to open another bank account. It follows I won't be asking Barclays to reopen the account or compensate Mrs S for closing it.

I know Mrs S wants a detailed reason why Barclays decided to close her account. Barclays isn't required to give her a specific reason. And I can understand Mrs S's frustration that she hasn't been provided a detailed explanation. But as the investigator has explained, Barclays is under no obligation to provide this information to her, as much as she'd like to know. So, I can't say Barclays have done anything wrong by not giving Mrs S this information.

As I've said Barclays returned £963.09 to source. Mrs S has questioned the amount as she has said that the payments into her account were for different amounts. I appreciate what Mrs S is saying and I know that the investigator has suggested that the letter provided by Barclays might be confusing as no specific amount of £963.09 came into her account. However, I'm satisfied Barclays acted correctly in reviewing the account and it isn't of concern to Mrs S how Barclays may have arrived at that figure, that is an internal matter for Barclays as part of their review of the account.

Having said that, I have taken into consideration that Barclays returned this amount to source when they shouldn't have, and Barclays agree this is the case. Therefore, it's fair that Barclays should return this amount to Mrs S together with interest at 8% for being deprived of these funds from 28 April 2023 until the funds are returned to her.

Mrs S has said that Barclays are harassing and manipulating its customers. I am sorry Mrs S feels this way. I can only look at the circumstances of this particular complaint and having looked at the evidence I'm satisfied that Barclays were acting fairly when they reviewed Mrs S' account and I haven't seen any evidence of what she is alleging.

In summary I know Mrs S will disagree but having looked at the evidence I'm satisfied that Barclays acted fairly in line with their legal obligations and their terms when they reviewed and closed Mrs S's account and requested information from her.

Putting things right

For the reasons mentioned above Barclays should return £963.09 to Mrs S together with 8% interest from 28 April 2023.

My final decision

For the reasons mentioned above I partially uphold this complaint and I require Barclays bank UK PLC to pay Mrs S £963.09 together with interest at 8% from 28 April 2023 until the funds are returned to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 3 July 2024.

Esperanza Fuentes
Ombudsman