

## **The complaint**

Mr B is a sole trader. He complains that Barclays Bank UK Plc treated him unfairly when it closed his business accounts.

Mr B is represented by his accountant Ms K, however for ease I'll refer to Mr B throughout the decision.

## **What happened**

Mr B held a business current and savings account with Barclays.

Mr B told us:

- He employed his wife Mrs B to maintain his business accounts and finances. However, in 2019/2020 Mrs B started to suffer symptoms of a degenerative health condition so needed increased support from their family to undertake this role.
- In April 2021, Barclays wrote to him and asked him to provide some information so it could complete its 'Know Your Customer ('KYC') checks. Mrs B called the bank in May to discuss the letter and to see what was needed, but Barclays didn't make allowances for her health condition or offer any assistance.
- In September 2021, he received a letter from Barclays saying that it needed information and if this wasn't received, it would close his account in 60 days. Mrs B called the bank again to discuss this letter, but it hadn't provided her with any assistance for her condition. It appears this letter was filed in error with no further action.
- Barclays didn't provide all the information requested under a Subject Access Request ('SAR'). This impacted his financial position as he'd had to get help to collate more information due to the time that had passed. And Mrs B's health had also deteriorated during this period, so her recollection of events had been impacted.

Barclays told us:

- It undertook a review of Mr B's account as part of its account checks and in April 2021, it requested information from him. The letter said that if the information wasn't received, this could lead to the account closure.
- It issued further letters requesting the information from Mr B in June 2021 and July 2021 and when this still wasn't received, it had sent him a notice to close letter in October 2021– which said his account would be closed in two months unless the information was provided.
- It had spoken to Mrs B in September 2021 and explained why it needed the information from Mr B and provided contact details for the relevant department.

Mrs B said she would call the following day to discuss this, but there was no record of the follow-up call taking place.

- It wasn't aware of Mrs B's health condition until May 2022 when Mr B had spoken to it. However, due to the nature of the information, it wouldn't have been able to record this on the bank's records without Mrs B's permission.
- Due to the circumstances behind the account closure, it had agreed to reopen Mr B's account. However, it didn't agree it had made a mistake and therefore shouldn't be liable for any financial losses.
- It had received a SAR from Mr B in June 2022 and responded to this within the thirty-day service level agreement ('SLA'). It agreed it had made errors in the font and dates of information provided, but it didn't think this had caused Mr B significant inconvenience.

Our investigator didn't recommend the complaint be upheld. She thought that Barclays had acted in line with its terms and conditions when closing Mr B's account as it hadn't received the information it required. However, she acknowledged it had taken too long for the bank to actually close the account, and that it was reasonable for Mr B to think that the bank was no longer taking any action due to the time that had passed. She also didn't think the bank was aware of Mrs B's health condition until May 2022, and she acknowledged there was a call note in May 2021 suggesting extra support be provided.

However, the investigator thought this was a generic request, as there was no specific note referring to Mrs B or her condition – and even if there had been, that this wouldn't have prevented Barclays closing the account as it didn't receive the information needed for its checks. The investigator said that Mr B had approached the Information Commissioner's Office ('ICO') about Barclays' errors in actioning his SAR so she wouldn't be considering this further.

Barclays accepted the investigator's view, but also acknowledged it had taken too long to close Mr B's account after he'd been given the two months' notice. So, it apologised and offered £400 compensation.

Mr B didn't accept the view, or the compensation offered by Barclays. He said that the compensation offered wasn't enough for the inconvenience caused. Mr B said that hadn't been aware of the notice to close letters at the time, and that our investigator hadn't taken into consideration the inconvenience he'd been caused. Mr B also told us that he hadn't yet referred his complaint to the ICO, however he should be entitled to compensation because Barclays hadn't complied with SAR which meant he'd incurred unnecessary costs in bringing his complaint. So, he asked for an ombudsman to review his complaint and the case was passed to me to decide.

I issued a provisional decision on 18 December 2022. I said the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I acknowledge Mr B feels strongly about what's happened. He's provided a lot of information and testimony in support of his complaint. I've read and considered everything Mr B has provided, however, in this decision I've not commented on each and every point he's raised. I don't mean this as a discourtesy. The key complaint here is in essence that Mr B feels Barclays closed his business account unfairly. I'm

not persuaded that's the case, but I do agree with Mr B that he was caused inconvenience by the bank in the manner that it undertook the closure.

The account terms and conditions for Mr B's account say Barclays can close an account after giving two months' notice or immediately if the bank is put in the position whereby it may break a law, regulation, code, or duty. It's not disputed by either party that Barclays wrote to Mr B several times in early 2021 requesting information. Nor is it disputed that it issued Mr B with a letter in October 2021 which gave him two months' notice that his account would be closed – or that Mr B didn't provide this information within this notice period. Therefore, as Mr B didn't provide Barclays with the required information it needed to ensure it could meet its KYC obligations, I don't think it was unfair for the bank to close Mr B's account.

Mr B says that didn't get the notice to close letter and that this was only located after the complaint had been raised. I recognise the distressing circumstances which have led to Mr B not being aware of the notice to close his account, but I don't think it would be fair to hold Barclays responsible for this. The account terms and conditions say that the bank will write to the most recent postal address it is given, unless something is returned as undelivered. However, in this case, Barclays had already written to Mr B with several information requests, and it was aware that these had been received because Mrs B had called to discuss the letters. So, I don't think the Barclays had any reason to think there was an issue with Mr B receiving letters from them. And given that Mr B has been able to locate a copy of the notice to close letter, there's no dispute that it was sent. So, I can't reasonably say the bank did anything wrong here.

Mr B told us that he feels that account closure happened largely due to how Barclays dealt with Mrs B when it spoke to her in May 2021. He believes that the bank should have recognised that she needed additional support. But I don't agree. I've listened to this call, and I don't think there was anything to alert the call handler that Mrs B may be struggling. Mrs B answered the questions she was asked promptly, and asked questions about the reason the bank needed more information and what she needed to do next. Mr B believes Barclays' case note which says "please do all you can to help the customer provide the required information" shows that it identified an issue. However, I'm not persuaded that's the case, and I think this was simply to assist with resolving the outstanding query as quickly as possible, rather than because of Mrs B's personal circumstances.

I think it's also worth noting here that I haven't seen any evidence that Mr B or Mrs B made the bank aware that Mrs B needed further support when she was contacting it. It was only in May 2022 (after the account closure) that Mr B said he didn't want to tell Mrs B what had happened and cause her distress, that the bank questioned the reason for this. I think it's reasonable to believe that if Mr B was concerned that Mrs B needed more support (as the evidence provided says that this was evident from late 2020) that he should have made the bank aware of this, as it wouldn't have been aware of her health issues. So, I don't think Barclays treated Mr B unfairly here.

I recognise that Mr B says he was caused inconvenience and a financial loss by Barclays' decision to close his account, and that it's concerning that the bank wasn't worried about damaging his business by taking this action. However, Barclays needs to hold the required information for all its customers so it can meet its regulatory obligations, regardless of who those customers are. And as far as the bank is concerned, it had given Mr B sufficient opportunity to prevent his account being closed. Therefore, as I think that it was reasonable for the bank to close the account

as it didn't receive the required information for it to undertake its checks, it follows that I don't think compensation is warranted for the actual account closure.

However, I don't think the way Barclays closed the account was fair. The bank has agreed that it took longer than it should have for it to close Mr B's account. It has apologised for this, agreed to reopen the account (given the specific circumstances), and offered £400 compensation for the inconvenience caused. Mr B told us that isn't enough to cover the costs he's incurred and the issues he experienced when trying to obtain information from the bank when making his complaint. So, he doesn't think this is fair.

I recognise that Mr B has provided us with an invoice from his accountant for around £3,000 which he says was required to bring his complaint to this service and chase the SAR. However, our service doesn't usually award the fees for complainants to refer their complaints to us. As an informal service and alternative to the courts, people can access our service in a variety of ways and our general terms do advise that if a complainant chooses to employ someone to act on their behalf, as Mr B has done here, that they will most likely have to pay those costs themselves. So, I don't think it's reasonable to ask Barclays to refund Mr B's complaint handling accountants fees.

However, I don't think it was fair for Barclays to close Mr B's account eight months after it had given two months' warning of the closure, without any further warning. Barclays says that after it had issued the notice, it could choose to close the account when it wanted. But I don't agree. Mr B's circumstances in December 2021 could have been, and were, different to those in May 2022. And the bank's delay meant that it was more difficult for Mr B to deal with the account closure and that he didn't receive the 'final' closure letter until two weeks after this had been actioned. Whilst I think that Mr B would always have had to speak to his suppliers and customers, and to have a period without funds due to the closure, I think the unreasonable delay caused Mr B further distress at what was already a difficult time for him personally. So, I don't think £400 compensation is enough to put things right and I think Barclays should increase this to £600.

Mr B has also asked us to consider Barclays' response to his SAR as he says the bank didn't comply with its obligations. Mr B also believes that the way the data was provided was unreasonable due to the lack of order and redacted items which meant it took longer to review this information. But Barclays is allowed discretion on the format and what commercially sensitive information is provided within information requests, so I don't think it acted unreasonably here. However, the ICO guidance is that businesses should respond to SARs within 30 days, and I can see that this didn't happen as expected here. I've seen that Mr B had to make several requests to Barclays for various pieces of information so the process took longer than it should have. So, I think Barclays should pay Mr B a further £150 compensation for the inconvenience caused.

I recognise that Mr B will likely be disappointed with my decision as he wanted significantly more compensation. However, I'm not persuaded that the inconvenience he incurred as a result of the account closure and SAR was solely caused by Barclays' actions.

I invited Mr B and Barclays to give me any more evidence and information they wanted me to consider before issuing my final decision. Barclays accepted the decision and had nothing further to add. Mr B didn't accept the decision and said in summary:

- That he viewed the call of 20 September 2021 between Mrs B and Barclays differently and didn't agree that Mrs B was fully aware of what was required.
- He didn't agree that he would have had to speak to his suppliers and customers and have a period without funds if Barclays had dealt with the call of 20 September 2021 differently.
- He didn't get the information he required from the SAR as requested and this caused him to incur costs from his accountant.
- This service had awarded compensation towards fees for bringing a complaint to this service on a different complaint brought to this service for an account closure.

### **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 remain of the opinion for the reasons that I've already given, that the total award of £750 is fair given the circumstances of the complaint.

Mr B has said I haven't commented specifically about the call of 20 September 2021 and said that he feels I should have placed more weight on this call and the actions of the bank. Mr B has also commented that I have had the benefit of listening to the calls with Barclays with the benefit of hindsight that he didn't have due to the delays in his SAR request. But as I already explained in my provisional decision, I haven't commented on all the evidence provided. Nor do I need to do so, due to the informal nature of this service. I have, as my role entitles me to do, considered the complaint on the basis of what I feel is fair and reasonable.

I want to assure Mr B that I have impartially listened to all the calls provided. However, I'm sorry but I don't agree that there was anything within the call that should have alerted Barclays to think Mrs B might have needed further assistance. I recognise that this whole situation has been distressing for Mr B and his wife. However, the unfortunate issue behind this complaint is that at the point Barclays sent the KYC requests, the only party aware of Mrs B's deteriorating health was Mr B. And I don't think the bank had any reason from their interactions with Mrs B to suspect that it may need to provide her with a higher level of support.

If Mr B had concerns about Mrs B's ability to undertake her role, as the evidence provided by Ms K states, then I think he ought reasonably to have made Barclays aware of this. And given that Mr B didn't provide the information requested, in line with the bank's KYC request, I remain of the opinion that at some point Barclays would have closed Mr B's account, and he wouldn't have been aware of this because he didn't receive the correspondence. Therefore, he would have needed to contact his customers and suppliers – even if this had been closer to when the notice to close letter had been issued as it would have taken a minimum of five working days (as advised by the bank) to reopen Mr B's account.

Mr B says that the delay in the bank providing the SAR request and the format of the information caused him to incur higher costs. He's also referred to a previous decision from this service which he believes shows we make awards for costs to bring complaints to this service. Firstly, I do want to make clear that it's not that this service can't make awards, it's that we usually don't. The reason for this is that we have a range of ways for complainants to bring their complaints to us, including by phone, letter or face-to-face if needed.

Furthermore, in most situations, the information requested or reviewed by the third-party is what we as a service would request. The key difference however, as in this case with Ms K, is that the third-party investigate and work for the complainant. We are impartial and we do not set a precedent when making decisions. Each decision is reviewed on its own merits, and the circumstances of the other case Mr B referred to were very different to this one. We also aren't here to fine or punish a business for making a mistake, and whilst I recognise Mr B's comments about the amount of information and the order in which it was provided by Barclays, there isn't a set requirement for the bank to provide this in a particular manner. So, my award is reflective of the times Mr B had to chase for all the information he wanted, and I think this is fair.

### **My final decision**

My final decision is that I uphold this complaint. I direct Barclays Bank UK Plc to pay Mr B a total of £750 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 February 2024.

Jenny Lomax  
**Ombudsman**