

The complaint

Mr A complains Barclays Bank UK PLC unfairly closed his accounts. Specifically, he says by closing his credit card account a car insurance payment wasn't paid. He wants compensation for the additional expense, distress, and inconvenience he experienced.

What happened

What follows repeats the background to Mr A's complaint as set out in my provisional decision. I restate it here for the purposes of issuing my final decision.

Mr A held accounts with Barclays, including a current account and a credit card account.

Looking at his statements, Barclays appear to have closed his current account in November 2022 and then closed his credit card in March 2023. Both closures were the result of them carrying out a review.

Mr A says the closures were unfair and he was unaware a car insurance payment on his credit card hadn't been paid, which led to him driving uninsured for a number of days.

Mr A complained to Barclays. They said they acted in line with their terms and conditions, and they weren't paying him compensation.

Our investigator upheld Mr A's complaint in part. They concluded:

- Barclays could close his accounts under their terms and conditions. But they should have given Mr A 60 days' notice rather than close them immediately.
- Closing the accounts immediately likely caused Mr A inconvenience he wouldn't otherwise have experienced in terms of rearranging payments, including his car insurance.
- They should pay Mr A £100 to make up for their error.

Mr A rejected the outcome. He felt £100 was insufficient to make up for the cost of driving uninsured and arranging temporary insurance. He believes Barclays should provide a reason for closing his accounts.

Our investigator said Barclays didn't have to provide their reason to him, and they didn't think Barclays needed to pay a larger sum. Mr A asked for a final decision from an ombudsman.

Barclays made a subsequent offer of £250 to resolve the complaint informally without the need for a final decision. Mr A rejected their offer, so his complaint is with me to decide in my capacity as an ombudsman.

I issued a provisional decision and didn't uphold Mr A's complaint. My findings were:

"Barclays have important legal and regulatory responsibilities to meet when providing

accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know their customer, monitor accounts, consider the source and purpose of funds, as well as detect and prevent other harm.

Barclays reviewed Mr A's accounts and concluded they wanted to terminate their relationship with him as their customer. Barclays were under no legal obligation to provide Mr A with their concerns and reasons for their decision, so I am not requiring them to provide them to him. I have, however, considered their reasons, and I find they were understandable. Our investigator decided that Barclays reasons weren't sufficient for them to close Mr A's accounts immediately and they should have given him a longer notice period.

But after reviewing the information Barclays presented, I'm satisfied it provides a sufficient basis to have closed his current account immediately, and I understand why they refused further lending on his credit card, including the payment he requested them to make to an insurance provider. I have treated that information in confidence, which is a power afforded to me under the Dispute Resolutions Rules (DISP 3.5.9R (2)) that form part of the Financial Conduct Authority's regulatory handbook. As I don't find Barclays needed to permit Mr A to use his credit card for further spending, I don't find their decision to close his account would have had a material impact on him whether or not they gave him a longer notice period.

Mr A says he was caused financial loss, distress, and inconvenience as a result of the account closures. But I don't find Barclays acted unfairly or outside their terms and conditions, so I'm not requiring them to pay him compensation."

Mr A rejected my provisional decision. He said Barclays still hadn't provided their reason for closing his accounts to him, and he should have had notice of the closure so he could prepare for it. He asked our investigator to see if Barclays could make a better offer, as each time he thinks about what happened his mental health is impacted severely.

Our investigator explained that Barclays didn't have to provide him with a reason, and they would not be asking Barclays to increase their offer.

Mr A replied and asked if Barclays were still prepared to offer £250. Barclays responded and said their previous offers were no longer applicable in light of my provisional decision.

Both parties have now responded within the deadline I set in my provisional decision. Based on the content of both responses, I find it appropriate to make my final decision on Mr A's complaint.

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.

I've decided not to uphold Mr A's complaint for the same reasons I gave in my provisional decision. Those findings are copied above, and now form my findings for this final decision.

Mr A re-emphasised that Barclays haven't told him their reason for closing his accounts. But as I said previously, Barclays weren't under an obligation to tell him their reason, so I don't require them to now. Mr A also said he should have had prior notice before his account closed. But I find Barclays could close his current account immediately, and their decision to stop lending to him without notice was reasonable in the circumstances of this complaint.

I am sorry to hear how Mr A says he was impacted by Barclays' actions, but as I haven't

found they did anything substantially wrong, I'm not awarding him compensation.

My final decision

My final decision is I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 March 2024.

Liam King
Ombudsman