

## **The complaint**

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

Mr A is represented by his solicitor Mr G, however for ease I'll refer to Mr A throughout the decision.

## **What happened**

Mr A had a business account with Barclays which he'd held for around fifty years.

Mr A told us:

- Barclays had closed his account without notice around April/May 2022.
- Barclays had sent the letters requesting information to the wrong address, so he hadn't received them. Barclays was aware that he was living abroad as it had sent correspondence to this address.
- He had written to Barclays in June 2019 requesting that his account remain open and that all correspondence was to be sent to his home address abroad or if it was urgent that the bank could contact his solicitor instead.
- He wanted Barclays to pay him compensation for his account being closed without notice, and for the bank to refund the legal costs he'd incurred in making his complaint.

Barclays told us:

- It had carried out a review of Mr A's account as part of its 'Know Your Customer' ('KYC') checks and requested some information from him about his business.
- It had written to Mr A on several occasions but hadn't received the completed KYC forms from him. As it hadn't been able to confirm the information it held for Mr A was correct, it had closed his account and sent a cheque for the account balance to the address held for the business.
- It had sent the KYC letters to the business address registered for Mr A. It was the standard process for it to send business correspondence to the business address unless a specified correspondence address had been requested – which wasn't the case here.
- It was Mr A's responsibility to ensure it held the correct contact information for him. It was aware that his residential address was registered abroad, but this would be used for non-business correspondence.

- It had legal and regulatory obligations which it needed to meet. When closing Mr A's account, it had followed its process and acted in line with the account terms and conditions, so it hadn't done anything wrong.

Our investigator didn't recommend the complaint be upheld. He said that Barclays had legal and regulatory obligations that it needed to meet, and it had written to Mr A at his business address to obtain the information it needed. He said that Barclays had decided in 2017 not to offer business accounts to customers whose main address was overseas. And that the bank had made it clear to Mr A in a previous complaint which had been brought to this service, that a UK address was required for him to keep the account open. He said that Barclays had explained that statements could go to an alternative address, but it would always send business correspondence to the registered business address. So, he didn't think Barclays had done anything wrong. He also noted that Mr A had been advised in the previous decision that it was his choice to seek legal representation, and it wasn't fair to hold the bank responsible for these costs.

Mr A didn't agree and asked for an ombudsman to review his complaint. He said in summary that:

- In Barclays' business account requirements, there was no reference to a UK business correspondence being required, only a UK registered or UK trading address which it had been given.
- However, if this was the case and a UK correspondence address was required, Mr A had given the bank his solicitor's information to be used.
- Barclays had acted negligently by not addressing Mr A's correspondence correctly, not contacting him by phone and then failing to contact his solicitor when it didn't receive a response from Mr A.
- He'd needed support from his solicitor due to his age, residence abroad and poor service he'd received from Barclays. And he felt the bank should offer him compensation for the distress and inconvenience he'd been caused, as Barclays had no valid reason to close his account.

I issued a provisional decision on 15/01/24. 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.

Briefly, my provisional findings are that regardless of any issues over Mr A's address, Mr A was not eligible for a business account with Barclays because he's said he was not trading. Barclays was therefore entitled to close his business account. I give more details of my findings below.

I acknowledge Mr A 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, this is simply due to the informal nature of this service which allows me to do so. The key complaint here is in essence that Mr A feels Barclays closed his business account unfairly and without a valid reason. But I'm not persuaded that's the case. I'll explain why.

Barclays told us that in 2017, it made the decision not to offer business accounts to

customers whose main address was overseas, and that a UK 'trading' address was required for an account to be held with the bank. I'm satisfied that both parties were aware of this as it was addressed in a previous complaint that was considered by this service. This is also addressed in the bank's terms and conditions which say the following:

*"We can close an account (and stop providing any services and end this agreement) immediately if you move your place of incorporation or the place where you do a material part of your business to a country outside the United Kingdom. This is because we may be unable to provide all the features and services currently available with your account because of laws, regulations, codes, or other duties that could exist in the country of your new address.*

*We can close an account (or stop or restrict a service) if we find you aren't eligible for it. We'll try to tell you in advance if we need to do this, but we may not always be able to. If we were breaking any rules or laws by continuing to offer the account or service, we would have to close or stop it immediately."*

Mr A says that Barclays sent its KYC request correspondence to the wrong address for his business so he didn't get them and couldn't comply with the bank's request, but I don't agree. I've seen that Barclays sent letters in March and May 2021 requesting information from Mr A about his business. The letters also enclosed a form which Mr A needed to complete. Further letters were sent to Mr A in June and July 2021 followed by a notice of the banks' intention to close his account in October 2021. The letters were all sent to the address given to the bank by Mr A as the business address. I've seen a copy of Barclays process which says that any letters from the bank will be sent to the business correspondence address, not as in this case, Mr A's residential address. I can see that's what the bank did here, so it has acted in line with its process.

I recognise Mr A says Barclays hasn't followed its process because it sent some correspondence to his home abroad and to his tenanted property. However, the statements for the account and account access related correspondence such as card's and pin numbers can be sent to any address – as they were here. It was only business-related letters which had to be sent to the business address, which in this case was the tenanted property that Mr A told the bank was his trading address in 2019, in order to keep his account open. So, I think Mr A ought to have been reasonably aware that if he was required to give a business address in the UK to keep the account open in line with Barclays' terms, that it was likely the bank was going to be using this address for correspondence.

Furthermore, Barclays terms say that the bank will use the most recent postal address given to it, unless something is returned as undelivered. In this case, Barclays continued sending post to the business address given to it by Mr A and it wasn't returned. Therefore, I think it was reasonable for Barclays to believe Mr A was receiving the information requests that it had sent. I think it's also worth noting here that when Mr A believed the cheque for the balance of the account had been dispatched to his business address, he confirmed he had a relationship with the resident. So, I think it was reasonable that Barclays had continued to send Mr A's business account information to the business address he had given it.

I recognise that Mr A told us the bank had also been writing to the wrong personal address, using number 6 rather than number 11, so it can't reasonably say that he got any correspondence from it. But I can see that the number 6 address currently used by the bank, is the address provided by Mr G in July 2019 as Mr A's address.

This also seems to be the address Mr G was using for his own correspondence with Mr A. I can see from Barclays records that Mr A's address was previously the number 11 correct one he has referred to, prior to July 2019. But in any event, I can see that all Mr A's non-business correspondence has been sent to the number 6 address since July 2019 and I haven't seen any evidence that he told the bank that this was incorrect, or that he wasn't receiving his mail.

Mr A has referred to a letter he sent to the bank on 27 June 2019. This letter requests that the bank continue to correspond with him as usual at his home address abroad, and if urgent the bank is welcome to contact Mr G. The letter also confirms Mr A's UK trading address – which is the same address that the business correspondence has been sent to. I'm not persuaded that Barclays has done anything wrong here as I can see that the bank did continue to send Mr A's statements to the personal address it held for him, it was simply that any business correspondence was subsequently sent to the business address - which he had provided.

I recognise Mr A's comment that the letter asked Barclays to contact his solicitor if required. However, I'm not persuaded this was a direct instruction to add Mr G as the contact for correspondence going forward. And, as I've explained above, the bank wasn't able to send business correspondence to an address that wasn't the registered business address, and it hadn't had any notification to say Mr A wasn't receiving what it was sending to him. But in any event, I've seen that Mr A told Barclays in May 2022, that his business was no longer trading, and he wanted the account converted to a personal account.

So even if I accept that the bank did make a mistake and should have contacted Mr G, Mr A wouldn't have been eligible for the account as he wasn't trading, and the terms of the account are clear that it must be used solely for business purposes and not personal use. I can see that Mr A asked for the account to be transferred to a personal account, however the bank has said he is unable to do this remotely and would need to open this face to face or where he is located abroad. And whilst inconvenient to Mr A, Barclays doesn't have to agree to Mr A's request.

I recognise that Mr A says he had to seek legal representation to raise his complaint with Barclays and bring his complaint to this service. 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 A has done here, that they will most likely have to pay those costs themselves. I acknowledge Mr A's comments about his personal circumstances and calling from abroad. However, I can see that Mr A was able to call the bank numerous times about his account closure, so I think it's reasonable to believe he could have contacted our service in the same way.

Furthermore, I recognise Mr A was unhappy with the departments he spoke to at the bank, but it is a commercial decision Barclays is able to make on how it communicates with customers and where its departments are based. I'm not persuaded this prevented Mr A contacting the bank. I've also seen Barclays case notes and I can see that when he did make the bank aware he needed support, it arranged to call him back to assist. So, I don't think it's reasonable to ask Barclays to refund Mr A's complaint handling legal fees.

I'm sorry to disappoint Mr A, but I don't think Barclays have acted unreasonably here in closing his account. So, I won't be asking it to do anything more.

I invited Mr A 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 A didn't agree with the decision. He said in summary:

- The investigator and ombudsman hadn't addressed his contention that Barclays had acted negligently by not contacting Mr G when he had provided the bank with written authority to do so. The issue wasn't that his account was closed, it was the manner in which this was done, as the account terms the bank had followed were unreasonable, they hadn't been brought to his attention and because his instruction to contact Mr G with any requirements for his account hadn't been followed
- Barclays had failed in its responsibility to him as it hadn't contacted him by phone or in writing, despite him having an account with the bank for a significant period of time. It was not reasonable to say that Barclays could assume its letters had been received, due to the serious nature of the communication, it's reasonable to think he would have contacted the bank.
- He didn't agree that the informal nature of this service allowed me not to address all the arguments that he'd raised, unless they were unsound or irrelevant. Nor was it reasonable to say that the legal costs he'd incurred to bring his complaint shouldn't be paid by the bank as it had failed in its duty to him.
- The legal and regulatory obligations of the bank didn't relieve it of its responsibilities to him. He wrote four letters of complaint to Barclays, and none of these were acknowledged.

### **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've reached the same conclusion as I did in my original decision, for the same reasons.

Mr A says that I haven't addressed whether Barclays acted negligently towards him in how it closed his account. He also doesn't think it's fair that I haven't directed the bank to refund the costs he's incurred to bring his complaint to our service. However, as I don't think that the bank did anything wrong, it follows that I don't think it acted negligently. And, as I'm not upholding Mr A's complaint, I'm also not ordering Barclays to pay his legal costs.

Furthermore, I also haven't addressed every point that Mr A has raised because I have focussed on what I believe is the crux of his complaint. The informal nature of this service allows me to do so. Nor do I have to follow or address the reasoning of our investigator. The purpose of our service's two stage process is that the complaint is reviewed again independently and that an ombudsman draws their own conclusions and opinions. In this case, I believe that Mr A's complaint stems from his view that he told Barclays to contact Mr G if it needed information about his account. He feels that his letter(s) should have been taken as authority and if the bank had acted responsibly, it would have sent the KYC information requests to Mr G. But I don't agree.

The letter that Mr A provided this service with suggested that Barclays contact Mr G if it needed information, I'm not persuaded that it directed the bank to add Mr G as a representative on his account. So, I don't think Barclays acted unreasonably in not using this letter as a formal authority to add Mr G as a contact for his business. Nor do I think it was the

bank's responsibility to question Mr A on how he wanted to manage the contact information on his account.

Barclays has a process for requesting KYC information from businesses and it is entitled to send these requests to the business address which Mr A provided it with. It has explained that certain business information has to be sent to the business address. This means that regardless of Mr A's wishes, the KYC information request would have been sent his business address - and I think this is reasonable. I also acknowledge that Mr A feels the bank should have called or written to his correspondence address to check he'd got these letters. However, the bank also isn't obligated to check that its customers have received the correspondence it sends.

The account terms are clear that the obligation is on the account holder to make sure the contact information that it holds is accurate, to ensure that they receive important correspondence from the bank. In this case, Barclays sent Mr A five letters over a seven-month period to the address he had provided before it closed his account. So, I think it was reasonable for the bank to think Mr A would have received the letters it sent to the address he said his business was trading from.

Mr A also says that Barclays treated him unfairly as he wrote to the bank on at least four occasions to make a complaint. However, complaint handling isn't an activity that this service covers so I can't make a finding on whether Barclays behaved unreasonably here.

I'm sorry to disappoint Mr A as I know he feels strongly about this complaint. However, I don't think Barclays acted unreasonably when it closed his account, so I won't be asking it to do anything more.

### **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 Mr A to accept or reject my decision before 11 March 2024.

Jenny Lomax  
**Ombudsman**