

The complaint

Mrs G complains that Barclays Bank UK PLC (Barclays) closed her UK account.

What happened

Mrs G lives in Australia but has worked in the UK and overseas. She has banked with Barclays for over 40 years.

Barclays wrote to her on 10 May 2023, 3 June 2023 and 8 August 2023 – to say they were intending to close her account on or shortly after 2 December 2023. This was because she didn't have a UK address.

Mrs G complained. She said she needed to have a UK account to receive her UK pension payments; and to make purchases in the UK when she visited. She doesn't have a UK address. If Barclays closed her account, she would be severely inconvenienced – and she wouldn't be able to open an account with another UK bank. She can't make any sense of Barclays' decision to close her account and says Barclays should make her an exception and allow her to continue with it.

Mrs G says she contacted Barclays at least ten times through online banking and wrote to the Barclays CEO - and had no response back. She complained to Barclays again on 7 June 2023. But again – had no response. By the time she brought her complaint to us – on 10 August 2023, the issue was time critical because her account was going to be closed imminently – and she may have needed to find a new bank in the UK from her home in Australia.

Barclays didn't respond to Mrs G. But they said to us that the bank had taken a policy decision to close all customer accounts which had a non-UK address. They said their products and services are designed for customers living in the UK.

Mrs G brought her complaint to us. Our investigator said Barclays had made a commercial decision to close Mr G's account; and the bank had given her reasonable notice of doing so – as they'd written to Mrs G six months before closing her account. But she also said Barclays hadn't handled her contacts and letter very well, and for this recommended that Barclays pay compensation of £100.

Mrs G didn't agree. In October 2023, in response the investigator's view, she said she'd opened an account with another UK bank, but this meant she had to buy a new smart phone for AUD2,500. She said Barclays should reimburse her for that – and said that our criteria for compensation was that she should get up to £750.

Mrs G asked that an ombudsman look at her complaint, and so it has come to me to do that.

I made a provisional decision which said Mrs G should get more compensation:

Let me say at the outset that this service resolves individual disputes between customers and financial businesses. We aren't the regulator of Barclays – that's the Financial Conduct

Authority (FCA). We don't tell businesses to change their policies. So – here, it's for Barclays to make its own commercial decisions as to how it runs its business. But we do say if a customer has, or hasn't, been dealt with fairly and reasonably – based on the individual circumstances of their complaint: for example, in its communications.

Barclays made a commercial decision to close the accounts of all customers who didn't have a UK address; whichever country they lived or worked in. So what this means is – we can't tell Barclays to reverse its commercial decision for Mrs G, or indeed any other customer affected by its policy decision.

I then looked at the letters Barclays sent to Mrs G. The first one was sent on 10 May 2023. It said *“Please take action: we need you to close your account... We're applying limitations to the banking services we provide to customers with an address outside the UK. We're sorry to say this means we need you to close your account..... To keep using your savings and/or current account with us, everyone on the account needs to be living in the UK and all the addresses we have for you need to be in the UK too.... If you haven't closed your accounts, given us an address in the UK or we've confirmed an exception applies to you by 24 November 2023, unfortunately we'll need to close the accounts (and any associated overdrafts) listed... on or shortly after 02 December 2023...”*

The exceptions were quoted as: *“If you're a Crown employee serving overseas; If the address on your account is for someone who manages your account on your behalf; If you're only outside the UK for six months or less and will shortly be moving back to the UK”*.

I looked Barclays' terms and conditions and these say that the bank can close an account if they wish as these say: *“We can close an account....if we find out that you aren't eligible for it. This may include the following....You (or a joint account holder) reside outside the UK... We'll try to tell you in advance if we need to do this...”*

In Mrs G's case, none of the exceptions in the letter applied. And I note that Barclays also gave Mrs G six months' notice of closure – which was reasonable.

I can also see that Barclays wrote another two letters to Mrs G about the closure – on 3 June 2023 and 10 August 2023.

So – in terms of Barclays' policy decision, they were entitled to make that and close Mrs G's account – and as they gave sufficient notice, I think the communications were sent in good time.

So, on these aspects of Mrs G's complaint, I cannot reasonably direct Barclays to allow her account to remain open.

I then looked at how Barclays handled the other contacts with Mrs G. She sent many online chat messages to Barclays and I couldn't see she had any meaningful response. Barclays notes say that some 'dropped out' – but I think it's unlikely that all of them did.

She also wrote to Barclays and had no response. She formally complained on 7 June 2023, but I can't see that Barclays investigated her complaint, or sent a response. If Barclays had done so, or spoken to Mrs G about the decision, and explained the reasons for the account closure, she would've then understood the decision at an earlier point in time, and that would've given her more time to make other banking arrangements.

But as it was, she was left without any understanding of the policy, and held out a hope or expectation that her account could be retained. And while the time elapsed, I can appreciate that she became more anxious and concerned – as her UK pensions had to be paid into a

UK bank account. And – she anticipated that it would take some time find a new UK bank, complete the necessary checks, and redirect her pension payments – all from the other side of the world.

Mrs G has said Barclays should pay for a new smart phone – which she needs to operate her account with her new bank. But – as I can't dispute Barclays' policy decision which caused her to open a new account, I don't think it's reasonable to ask Barclays to do that.

But, on balance, I do think Mrs G should receive more compensation for Barclays' lack of communication in response to her complaint and other contacts – and for this, I think compensation of £300 is more appropriate than the £100 recommended by our investigator. Mrs G is aware of the criteria we've set out and this is shown at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

So – my provisional decision is that Barclays should pay compensation of £300.

Responses to the provisional decision:

Barclays agreed; but Mrs G made the following comments:

- She said she should receive more compensation than £300.
- This was due to the time she had spent:
 - o Communicating with Barclays, without any meaningful response – either from the complaints department or the CEO.
 - o She suspected Barclays had a policy of ignoring her complaint, hoping it would just 'go away' without any proper investigation.
 - o Investigating other UK banks and mobile phone products.
 - o Putting her complaint to this service and responding the initial investigator's review.
- She still doesn't understand Barclays' reasons for closure. And she had been a loyal customer for over 40 years.
- Barclays should be held to account.

I now need to consider these points and make a final decision. (**continued**)

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 want to thank Mrs G for the further points she has made. In summary, I'm satisfied that I considered these points in the context of her original complaint and when I made the provisional decision.

The main points remain – Barclays can close any account they wish to - and in fact don't have to give a reason. And – they did give a long period of notice of the closure of Mr G's account. So – she had a reasonable and sufficient time to make new banking arrangements. And in a world where the internet makes opening an account possible from overseas – this is now obviously much easier than before, as most of the process is online.

I considered the non-response of Barclays to her correspondence in arriving at the proposed award. I looked at Barclays' internal records and found no suggestion that her complaint was being ignored in the way she suggests – as far as I could see, it was just poor efficiency in addressing it.

As part of considering compensation, as principle, we don't include any time or cost in putting a complaint to this service.

Mrs G says Barclays should be held to account. But here, our role is not to 'punish' firms, but make decisions on the individual circumstances of a complaint. If there is a concern about a bank's policy, that's a matter for the regulator, the Financial Conduct Authority (FCA). If Mrs G wishes, she can write to the FCA.

So, having reflected again on Mrs G's comments and her complaint, I am making a final decision which is unchanged from the provisional decision.

My final decision

I uphold this complaint. Barclays Bank UK PLC must:

- Pay compensation of £300 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 19 March 2024.

Martin Lord
Ombudsman