

The complaint

Mr A complains that Barclays Bank UK PLC unfairly closed his bank account.

What happened

Mr A had a current account with Barclays, which he'd had for a number of years. Mr A has explained that this was his main account that he used for everyday living expenses, to make online purchases and pay bills. He's said that the account was very important to him as he also used it to send money to family overseas, and to pay for his mother's medical bills.

In July 2023, following a review Barclays decided to close Mr A's account immediately. Barclays wrote to Mr A telling him that he needed to make alternative banking arrangements and that he would need to attend a branch with ID before it could release the remaining funds in the account back to him. Mr A did this in August 2023.

Mr A says he discovered that there was a problem with his account when he tried to log on to his mobile banking app. He said he couldn't access his account, so believing there was a technical problem he downloaded the app again. However, when this didn't fix things, he called the bank to try and find out what was happening with his account.

Mr A says when he rung Barclays he was kept on hold for a long time, and when the call was eventually answered the call was hung up after he'd given the advisor his name. He says this happened to him on more than one occasion. And that when he eventually did get through to an advisor, he wasn't given much information about why the bank had decided to close his account. Mr A has said that at the time his mum was unwell, and he needed to send money overseas to pay for his mother's surgery, so it was a very stressful time for him. And not being able to access his account made an already difficult situation much more challenging.

Mr A says following these phone calls, Barclays told him to go into a branch with ID to collect his account balance. So, he drove to a branch only to find out it was a non-cash handling branch. He made a second trip to a different branch, but this was closed. Mr A was eventually able to get his funds, and produced his UK passport as ID. But he said when he went into branch felt everyone was looking at him like a criminal because of his skin colour.

Mr A complained to Barclays about the closure of his account and the service he received. He said he can't think of any reason why the bank would close his account – he said he's always operated his account properly and has been a long standing customer of the bank since the mid 2000's. Mr A said he suspects the bank closed his account on the basis of his name and because he used an African passport to open the account. He also believes that the bank mistakenly thought he was living overseas and was aware that the bank was closing accounts of people not living in the UK. So, he says Barclays has treated him unfairly when it closed his account and stereotyped him because of his name.

In response to Mr A's complaint, Barclays said it should have given Mr A more notice of the closure of his account. It said it should have given him at least two months' notice and provided Mr A with better service when he contacted the bank. Barclays apologised and

offered Mr A £200 compensation for the trouble and upset he suffered as result of its poor service and abrupt closure of his account.

Unhappy with this response, Mr A brought his complaint to our service. One of our investigators reviewed the complaint. He said that Barclays should have given Mr A more notice that it was closing his account. But he said that Barclays weren't obliged to provide Mr A with an explanation about why it no longer wanted him as a customer. The investigator said that he hadn't seen anything to suggest Barclays had treated Mr A unfairly because of his name. And he thought Barclay's offer was fair.

Mr A disagreed. He said if he was in the wrong and had breached the banks terms and conditions why would the bank try to compensate him. He said the compensation is a bribe and wants to know why the bank closed his account.

As no agreement could be reached the matter has come to me to decide. After looking at all the evidence and circumstances of the complaint I issued a provisional decision in which I said the following:

Barclays are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

In order to comply with its legal and regulatory obligations, it's not unusual for a financial business to periodically review its customers' accounts, even if the account holder has been a customer for some time. Having looked at all the evidence and information, I'm satisfied that Barclays were complying with their legal and regulatory obligations when it reviewed Mr A's account. So, I can't fairly say they've done anything wrong.

As the investigator has already explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very 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.

The terms and conditions that applied to Mr A's account set out that Barclays could close his account by giving Mr A at least two months' notice. In some circumstances it could close the account immediately, which is what happened here.

We've asked Barclays about this. In response, Barclays said that although it would still have closed the account, it should have given Mr A more notice. I understand of course why Mr A wants to know the exact reasons behind Barclays's decision. And I can see that Mr A has asked Barclays to explain itself on several occasions. But Barclays doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr A the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr A this information. And it wouldn't be appropriate for me to require it to do so.

Barclays needs to provide information to this service so we can fairly decide a complaint. I've looking at all the information that led to Barclay's decision to close Mr A's account, and I accept that Barclays could have closed the account if had given the correct notice.

I've considered what would most likely have happened if Barclays had given Mr A more notice about closing his account – it now accepts it should have done. Having looked at all the evidence, I'm satisfied that Barclays would still have closed the account – even if it should have given Mr A more notice. So, I won't be asking Barclays to reopen the account.

Mr A suspects that Barclays has closed his account on the basis of his name being African and because they believed he was living overseas. Mr A has said that because of his name the bank has stereotyped him and thought he was money laundering because of the way he was using his account – which isn't right. I've considered what Mr A has said, in doing so, I'm required to consider a number of factors in order to decide Mr A's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010.

Having done so, while I appreciate Mr A says he felt he was treated differently by Barclays because of his name, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Barclays would have treated another customer with similar circumstances any differently than Mr A. So, I'm not persuaded based on what I've seen that the account was closed or that the bank discriminated against Mr A because of his name. I also haven't seen any evidence that the account closure was due to Barclays mistakenly believing Mr A wasn't a UK resident.

With all this in mind I've gone on to consider whether Barclays offer of compensation is fair. Barclays has offered £200 to reflect the trouble and upset not giving Mr A more notice that his account was closing caused. And for providing him with poor service when Mr A tried to contact them about his account. Mr A says he thinks this is a bribe. Overall, he said the whole experience has caused him a lot of stress and anxiety – especially as his mother was in the hospital at the time, and he needed to be able to send funds overseas to pay for her hospital treatment. Mr A has also said that when he visited a branch to get his closing balance, he felt everyone in the bank was looking at him believing him to be a fraudster or criminal because of his skin colour.

I've considered how Barclays actions impacted Mr A. Barclays has accepted that it provided Mr A with poor customer service. Mr A doesn't see it that way. He believes that what Barclays has done goes beyond poor customer service. He has felt discriminated against. I can understand why Mr A feels this way, and I do think Barclays hasn't quite grasped how its actions have made Mr A feel. So, I'm not convinced based on Mr A's comments that £200 is fair, I think £500 may be more reasonable here. I say this because, Barclays has said that Mr A should have been given two- months' notice.

If Mr A had been given the two-months' notice, he would have at least had the opportunity to look elsewhere for an account and be ready with funds for his mum's surgery. Mr A would have also been able to transfer his balance to his new account, instead of having to visit a branch. Mr A says that when he went into the branch he was made to feel like a criminal, and whilst that may not intentionally have been the case (and may have been from customers rather than staff) if he'd had chance to open an account elsewhere, he wouldn't have been put in that position. And it's only right that Barclays recognises this.

Based on all the evidence, I'm minded to say that £500 is a fair amount of compensation and proportionate to the trouble and upset Mr A was caused in the overall circumstances of this complaint.

Mr A accepted my provisional decision. In response he raised a number of points. In summary he said:

- It's not always about compensation when customers complain. It is because people like himself want companies/institutions to act within the laws of the land
- Companies/institutions should stop stereotyping and discriminating against people of colour
- Companies should be educated on equality and diversity of different cultures, traditions and backgrounds
- Not everybody in the UK has orthodox financial routines. Some people send money back home at the end of every week/month
- People like himself have big extended families abroad. So not all remittances should be classed as money laundering or fraud.
- He would like Barclays to send a formal apology letter so he can put it on file in case of any future issues

Barclays didn't respond to my provisional decision.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

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.

As Barclays didn't respond to my provisional decision, I see no reason to depart from my findings that it was incorrect to close Mr A's account immediately and that it should have provided notice.

In response to the provisional decision, Mr A has highlighted a number of concerns, which I'll now address below.

I appreciate Mr A feels Barclays didn't understand how he managed his finances and operated his account. I agree with him on this point and that is why I have upheld the complaint. It's clear Barclays felt that it had a basis for closing Mr A's account immediately but as I've explained, I don't agree.

Mr A is concerned about the experience and understanding of the staff involved in the closure of his account. I want to make it clear that whilst I understand the point Mr A makes, we're not the regulator of financial businesses and we don't police their internal processes or how they operate generally. It's not for me to tell the bank how it should train staff. If Mr A has concerns about the level of skill of the bank's compliance staff and its processes, he should direct this to the regulator, The Financial Conduct Authority.

Mr A wants Barclays to apologise for the way he has been treated so that he can keep the letter on file should he have any problems in the future. I recognise that Mr A has been very upset by Barclay's actions. Mr A has provided details about how this matter has impacted him, and I've taken them onboard. But I won't be asking Barclays to issue a further apology to Mr A. I say this because Barclays acknowledged Mr A's feelings when it wrote to him in response to his complaint on 9 August 2023. So, I consider the level of compensation I've suggested in my provisional decision is fair compensation for the distress and inconvenience Mr A was caused. And I won't be asking Barclays to do anything more to resolve Mr A's complaint.

In summary, I appreciate that Mr A will be disappointed by my decision, but whilst I take on board Mr A's comments, I see no reason to depart from my provisional findings. I remain of the view that this complaint should be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision. And I direct Barclays to settle the complaint as detailed below.

My final decision

For the reasons I've explained, my final decision is that I uphold M A's complaint. To put things right Barclays Bank UK PLC PC should do the following:

- Pay Mr A £500 compensation for the trouble and upset caused by closing his account without notice.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 March 2024.

Sharon Kerrison
Ombudsman