

The complaint

Mr A complains Barclays Bank UK PLC unfairly closed his account without notice and provided poor service.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Barclays carried out a review of Mr A's account and issued a notice to close letter on 26 July 2023. This letter explained that Mr A's accounts with Barclays would close with immediate effect.

Mr A raised a complaint about the immediate closure, explaining Barclays hadn't given him any notice or explained its reasons. Barclays explained that it had closed the account immediately in line with its internal review process. It explained it had acted fairly and wouldn't be reopening the account or compensating Mr A.

Mr A remained unhappy and referred his complaint to our service. An Investigator reviewed his concerns, and they didn't uphold Mr A's complaint. In summary they explained:

- Barclays' regulatory obligations meant it was required to monitor and review customer accounts and it didn't need to give Mr A notice of this review or a reason for the closure.
- However, in Mr A's case 60 days' notice should've been provided rather than an immediate closure.
- The immediate closure had a negative impact on Mr A, so Barclays should compensate Mr A with £150 for the distress and inconvenience caused.

Mr A accepted the recommendations made by the Investigator. Barclays didn't accept the recommendations and reiterated that its immediate closure was fair and in line with the account terms and conditions.

As no agreement could be reached, the case has been referred to me – an ombudsman – for a 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.

I'll start by setting out some context for Barclays' review of Mr A's account. Banks and financial businesses have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or the activity on an account. The terms of the account also permit Barclays to block an

account.

This means Barclays is entitled to block and review an account at any time. Banks and financial businesses are also entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. In this instance the terms of Mr A's account say that in certain instances Barclays can close the accounts with immediate notice, and it doesn't have to provide a reason for doing so.

Barclays has provided this service with details around the reason for its review and subsequent closure. Our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information it has asked us to treat as confidential. Looking at the information provided, I don't find Barclays' decision to close Mr A's account immediately fair. I say this because I think it should've carried out a more detailed review of Mr A's account before making its decision. The requirements for immediate closure are higher than those for a standard closure, with full notice, and based on the evidence I've seen I am not satisfied this threshold had been met in Mr A's case. So, although I accept Barclays is able to close the account, in Mr A's case I think the full notice, as set out in the terms of the account should've been provided.

I understand Mr A wants Barclays to explain the reason it blocked and closed his accounts. It can't be pleasant being told you are no longer wanted as a customer – especially after being a long-standing customer with no issues. But Barclays doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr A the reasons behind the account review and block, as much as he'd like to know. It's also under no obligation to provide Mr A with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr A this information, even in light of the subject access request Mr A made. And it wouldn't be appropriate for me to require it do so.

The investigator recommended Barclays pay Mr A £150 compensation for the trouble and upset he was caused by the immediate closure. Barclays says Mr A still had access to his funds, despite the account being closed immediately. But I've no doubt this was a worrying and upsetting time for Mr A. I have carefully considered what Mr A has provided about the impact the immediate closure had on a practical level, as well as on his credit file. I note there is an entry for a missed payment on the credit file evidence Mr A has provided. An individual's credit rating is based on various factors. In this case I haven't seen anything to show this entry in particular had a detrimental impact on Mr A. I've also considered the missed insurance premiums. I note there are four missed payments, and I don't think all of these can be attributed to the immediate account closure. The immediate closure of an account will inevitably cause a level of inconvenience for a customer. In Mr A's case I think the £150 recommended fairly reflects the inconvenience and impact on Mr A.

Putting things right

Barclays Bank UK PLC should pay Mr A £150 for the poor handling of his account closure.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 August 2024.

Chandni Green
Ombudsman