

The complaint

Mr M is unhappy with several aspects of the service he's received from Barclays Bank UK PLC, trading as Barclaycard, including that they closed his account without notice.

What happened

To briefly summarise: Mr M discovered that Barclaycard had closed his account without notice or warning. Mr M wasn't happy about this, and he also wasn't happy about several aspects of the service he received from Barclaycard surrounding this, including how Barclaycard handled phone calls which he made to them. So, he raised a complaint.

Barclaycard responded to Mr M and explained that they'd closed Mr M's account in line with the terms and conditions of the account. Barclaycard also explained that the reason for the account closure was because Barclaycard had updated its own lending criteria and Mr M didn't meet these updated criteria.

But Barclaycard did accept that the standard of service Mr M had received when calling them hadn't been to the standard he should reasonably be entitled to expect. Barclaycard apologised to Mr M for this and paid £50 to him as compensation for any trouble and upset he may have incurred, as well as a further £30 payment as a gesture of goodwill. Mr M wasn't satisfied with Barclaycard's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. During their review, Barclaycard reappraised their position and offered a further £100 compensation to Mr M to settle the complaint. Mr M rejected this offer. However, after conducting their review, our investigator didn't feel that Barclaycard had acted unfairly in how they'd managed this situation and so didn't uphold the complaint. Mr M remained dissatisfied, so the matter was escalated to 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 issued a provisional decision on this complaint on 28 February 2024 as follows:

I'd like to begin by addressing the scope of this complaint and confirming that the points of complaint I consider to be in-scope here are Mr M's complaint about the closure of his account without notice and the service he received from Barclaycard when calling them about the account closure. One reason for this is that these are the points Barclaycard have considered and responded to, as per their complaint response letter to Mr M dated 3 June 2023, in which Mr M was apprised of his right to refer that complaint to this service.

Mr M has mentioned several other points of complaint during his correspondence with this service. But, for the reasons explained above, I consider these other points to be out-of-scope, and so I won't address them in this letter.

However, I do consider it important that Mr M's dissatisfaction should be considered in full. Accordingly, if Mr M remains dissatisfied about the points that I deem to be out-of-scope in this letter, then he should refer these matters to Barclaycard so that Barclaycard can consider and formally respond to them – after which time it may be the case that Mr M has the right to refer those points of complaint to this service. And if Mr M has already referred some further points to Barclaycard, and Barclaycard have already responded, then these further points will be addressed as a separate complaint by this service.

Mr M is unhappy that Barclaycard closed his account without any notice or warning. However, Barclaycard's right to close an account without notice is stipulated in the terms and conditions of the account, as follows:

"Closing your account

...

Unless we are closing your account for one of the reasons below, we'll give you at least two months' written notice.

We may close you account and require immediate repayment of your total outstanding balance for the reasons below:

- If we reasonably believe that you've broken this agreement regularly or seriously*
- If you have acted fraudulently*
- If the Home Office tells us that you have become a 'disqualified person' due to your immigration status*
- If you become bankrupt (or enter into a voluntary arrangement with your creditors) or we believe this is likely to happen*
- If you die (in this case, we may ask your estate to make the repayment)"*

Barclaycard have explained the reasoning for their immediate closure of Mr M's account to this service. And, having considered Barclaycard's reasoning, I'm satisfied that one of the clauses listed above does apply. As such, I'm satisfied that Barclaycard have acted within their terms – and haven't acted unfairly – by closing Mr M's account with immediate effect as they did.

I realise that Mr M would like to better understand the specific reason that Barclaycard closed his account with immediate effect. But, as explained, Barclaycard aren't obliged to provide this information to Mr M. However, as explained, while I'm unable to disclose any further information to Mr M, I can confirm that I am satisfied from the information provided to this service that Barclaycard have acted within their terms here. I hope Mr M finds some comfort in knowing that someone independent and impartial has considered this aspect of his complaint on his behalf.

I note a letter sent by Barclaycard to Mr M dated 16 March 2023, which notified Mr M of the immediate closure of his Barclaycard account. Mr M has explained that he never received this letter. But I'm satisfied that Barclaycard did send this letter and that it was addressed to Mr M correctly. And I wouldn't hold Barclaycard accountable for the non-delivery of correctly addressed mail, given that the delivery of mail is undertaken by a postal service over which Barclaycard have no direct control.

I also note that Mr M was given incorrect information about why his account had been closed by Barclaycard. Specifically, Mr M was told that he no longer met Barclaycard's lending criteria, following an update by Barclaycard to its lending criteria. But this is incorrect. And if

it that were the correct reason that Mr M's account was closed by Barclaycard, then that wouldn't permit an immediate account closure as was the case here. Rather, Barclaycard would be obliged to provide a minimum of two-months' notice to Mr M.

I can appreciate how, from Mr M's perspective, the fact that Barclaycard have now explained to this service the correct reason that his account was closed – which does justify the closure of the account with immediate effect – might appear somewhat convenient for Barclaycard. Especially as I'm unable to disclose any details of the reasoning that Barclaycard have explained to me. As such, I'd like to confirm to Mr M that I don't feel that Barclaycard have treated Mr M fairly in this regard and assure Mr M that I've taken this point into consideration during my review.

Mr M is also unhappy with the service he received from Barclaycard when he contacted them about the account closure. To that end, I've listened to several recorded calls and reviewed the online chat between Mr M and Barclaycard wherein the account closure was discussed. And while it's clear that the call records are incomplete – as can be the case when calls are transferred between internal departments, wherein the automatic recording of those calls sometimes doesn't continue after the transfer – it seems clear to me that Mr M was passed between several different departments and given incorrect information about the closure of his account, as he contends.

All of which means that, while I don't feel that Barclaycard acted unfairly by closing his account with immediate effect as they did, I do feel that Barclaycard provided several instances of poor service to Mr M surrounding the account closure. These include that Mr M was given incorrect information about why his account was closed and that he was unnecessarily frustrated and inconvenienced by having to spend several hours on the phone and by being passed between departments as he was.

Because of the poor service I feel Mr M has received here, I'll be provisionally upholding this complaint in his favour and instructing Barclaycard to make a further payment of £250 to him by way of compensation. This £250 is in addition to the £50 compensation that Mr M has already received and takes that total compensation amount for this poor service to £300.

I'd like to reiterate that this provisional decision – and therefore this award of compensation – is only in relation to the points of complaint which I've explained are in-scope here. And this award of compensation will have no bearing on any future review this service may undertake on other points of complaint raised by Mr M which aren't in scope here.

Mr M responded to my provisional decision and confirmed he was happy to accept it. Barclaycard also responded to my provisional decision and asked me to reconsider my position on it. Having done so, I can confirm to Barclays that it remains the case that I feel that Mr M has been treated unfairly here in the specific context of this complaint for the reasons explained above.

As such, I see no reason not to issue a final decision upholding this complaint in Mr M's favour on the basis explained in my provisional decision. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

Barclays must pay a further £250 to Mr M.

My final decision

My final decision is that I uphold this complaint against Barclay Bank UK PLC, trading as Barclaycard, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 April 2024.

Paul Cooper
Ombudsman