

The complaint

Mr D complains that Barclays Bank UK PLC trading as Barclaycard closed his credit card accounts.

What happened

Mr D held two Barclaycard credit card accounts. He resides in the US. In May 2023 he received a letter from Barclaycard advising him that it was no longer possible to offer accounts to customers living outside the UK. The letter said that if Mr D had a UK address he should update his details online. Mr D checked online and saw that he had a UK address registered for both accounts.

In August 2023 Mr D received a letter advising him that both accounts had been closed.

Mr D complained to Barclaycard. Barclaycard replied and said it had contacted all of its customers with non UK addresses to give them notice that it would be closing the account if the non UK address on the account wasn't removed. It said that because Mr D's US work address hadn't been removed, the accounts would remain closed.

Mr D brought his complaint to this service. He said the accounts had been closed unfairly because he had a UK residential address on file for both accounts.

Following the referral of the complaint to this service, Barclaycard issued a final response dated 25 October 2023 in which it said it had re-opened the accounts. It apologised for any inconvenience caused. Barclays subsequently advised this service that the final response letter it had sent was incorrect and that both accounts had been closed.

I issued a provisional decision in which I said that the terms and conditions of the account allowed Barclaycard to close the account for any reason. This meant that this service couldn't require Barclaycard to re-open the accounts.

I said I could understand why Mr D felt aggrieved at the closure of his accounts and why he thought he'd met the criteria set out in the letter which had been sent to him in May 2023.

I also said that from Barclaycard's perspective I could see that what they were trying to communicate in the letter was that they were no longer able to offer accounts to people living outside of the UK. I said the letter could have been more clearly worded.

I said that although I wasn't able to say that the accounts were closed unfairly, I did think that Barclaycard could've provided better customer service to Mr D in its communications about the closure.

I also said that the error in the final response was a further example of poor customer service which meant that further compensation was justified. I recommended that the total compensation payable to Mr D was increased to £175 to reflect the level of trouble and upset caused.

I invited both parties to let me have any further comments.

Mr D responded and said he accepted the provisional decision. He made some further comments about the account closure warning letter, which I've taken into account. He also said he'd never received the final response sent by the business in October 2023.

Barclaycard responded and initially queried why the compensation had been increased. This service responded and said that the reasons for the increase in the award were explained in the provisional decision. Barclaycard responded and said it accepted the provisional 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.

Both parties have accepted my provisional decision. Therefore, I see no reason to reach any different conclusions to those which I set out in my provisional decision.

Putting things right

To put things right, Barclays Bank UK PLC trading as Barclaycard must pay compensation of £175 to Mr D.

My final decision

My final decision is that I uphold the complaint. Barclays Bank UK PLC trading as Barclaycard must pay compensation of £175 to Mr D.

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

Emma Davy
Ombudsman