

The complaint

Mr K complains Barclays Bank UK PLC (“Barclays”) closed his accounts and did so without fairly providing him notice. Mr K also complains Barclays poorly dealt with helping him reclaim his funds and provided inadequate customer service.

Mr K says Barclays’ actions have caused him financial loss, inconvenience, and substantive distress which has severely affected his health and wellbeing. To put things right, Mr K wants his account reopened and appropriate compensation.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr K resides abroad, though he is still a UK citizen. In September 2023, Barclays closed Mr K’s accounts and moved the funds in them into its internal accounts. When Mr K was unable to access his online banking he called Barclays after which he discovered the accounts had been closed.

This was the first Mr K knew about this, and he says this caused him severe distress which led to him suffering heart attacks. In summary, Mr K emphasises that Barclays’ decision to close his accounts is grossly unfair - especially as he plans to return to the UK, is a pensioner, and a long-standing customer.

Unhappy with Barclays, Mr K complained. Barclays upheld Mr K’s complaint in part. In summary, the key points it made in its responses were:

4 January 2023 response:

- As a ringfenced bank, Barclays’ UK products are designed for customers in the UK. And due to the UK leaving the EU, it reviewed the services it offers to customers with an overseas address.

As Mr K was resident outside the UK, Barclays informed him in February 2023 that he needed to live in the UK to keep his accounts. Further correspondence was then sent in March and August 2023 in relation to the closure of the accounts

- As Mr K selected online correspondence, an email alert was sent to him each time a new letter was uploaded to his online banking service. But Mr K has advised he does not check his online account regularly
- The emails Barclays sent were to notify Mr K it had uploaded letters, and it’s limited to what information it can send in an unsecured email
- As Barclays didn’t hear from Mr K it proceeded with closing his accounts in line with its processes, leading to his online access being revoked

- Barclays is unable to reopen Mr K's accounts, nor can it contact his pension providers on his behalf
- On a call with Barclays' staff in October 2023, the agent provided Mr K with an incorrect link to reclaim his funds. Because of the upset and inconvenience this caused, Barclays offered Mr K £25 compensation
- The agents Mr K spoke to were following the correct process and not acting inappropriately due to his circumstances. And there isn't any evidence Barclays' staff disconnected calls on him
- Barclays never intended to harm Mr K's health in the way he says. And its unable to compensate him for any financial loss he has suffered
- Barclays' records show a reclaim form was sent to him in November 2023 explaining what he needed to do to regain his funds. That's because the address verification Mr K sent wasn't dated within three months. So he will need to provide a certified copy of an acceptable document before the funds can be transferred to him

26 January 2023 response:

- The driving licence Mr K sent Barclays was out of date. And the identity card copies Mr K sent aren't certified. The HMRC letter to verify Mr K's address was certified and has been accepted
- After completing additional verification checks on the call today, Barclays is now able to process the transfer of Mr K's funds to his nominated account without the need of further certified documents
- Barclays is sorry to hear about Mr K's health issues and that he feels it has contributed to them. But this was never Barclays' intention
- Barclays' is sorry Mr K feels its offer of £25 is derisory, but it can't increase this

Mr K referred his complaint to this service. One of our Investigator's looked into it, and they recommended it too was upheld in part. In summary, their key findings were:

- Barclays acted fairly and in line with its terms of account when closing Mr K's accounts
- They're sorry to hear about the heart attacks and other health issues Mr K suffered, but they can say this was caused by Barclays or that it should be held responsible
- Barclays has shown the notice of account closures was uploaded on Mr K's online account in line with his communication preferences. The letters informed Mr K his accounts would close in September 2023 and what he would need to do to reclaim his funds thereafter
- The reclaim documents were received by Barclays in October 2023, but the proof of address was certified as required. Mr K sent further documents received by Barclays in December 2023. Mr K sent a certified letter from HMRC, but Barclays erroneously wrote to him on 3 January 2024 to request such proof again.

Mr K then called Barclays who told him his driving licence had expired. Mr K disputed

this – but the copy Barclays has provided this service isn't clear enough to determine this. But despite these concerns, Barclays verified Mr K on a call on 26 January 2024. The funds were then transferred to Mr K on 6 February 2024

- Barclays could reasonably have verified Mr K's identity on the phone on 3 January 2024 thereby releasing the funds sooner. So Barclays has caused undue delays in returning Mr K's funds. Because of this it should pay him 8% simple interest from 3 January 2024 until 6 February 2024
- Having listened to the calls Barclays have provided there isn't any evidence its staff hung up on him or behaved inappropriately

Barclays agreed but said the team who reviewed the HMRC letter deemed that as it was older than three months, it couldn't be accepted. And as the matter was passed to the correct team the next day, the earliest Barclays could've called Mr K was 4 January 2024. Barclays also added the £25 compensation in its final response was still valid.

Mr K didn't agree with what our Investigator said. In essence, he remains unhappy about the way Barclays handled the matter and the basis of its decision to close his accounts. Mr K also says he's had problems with redirecting his pension payments. Our Investigator explained this is something he will need to resolve with them directly.

As there is no agreement, this complaint has been passed to me to decide.

What I've decided – and why

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr K and Barclays have said before reaching my decision.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I have decided to uphold this complaint in part. I'll explain why.

Account closure and notification

Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Barclays and Mr K had to comply with, say that it could close the account by giving him at least two months' notice if he isn't a UK resident. Barclays provided Mr K with six months' notice of its intention to close their accounts.

Mr K questions the basis upon which Barclays have closed his accounts. But the terms of the account allow it to do so, and Barclays is allowed to exercise legitimate commercial

discretion in the way it has done here. So I don't think Barclays has done anything wrong in deciding to close Mr K's accounts.

Mr K says he planned to come back to the UK after selling his assets abroad. But I'm satisfied Barclays has acted fairly by basing its decision on where Mr K was living at the time.

This brings me onto what I see as the crux of Mr K's complaint. That is, Barclays failed to properly notify him of its intention to close his accounts. Barclays has provided information which shows the closure notification letters were sent to Mr K in line with his communication preferences by uploading them onto his banking online portal. And email notifications telling Mr K that important letters had been uploaded were sent to him.

Mr K says he doesn't normally check his emails frequently due to his fragile health. And because he had thousands of unread emails, they obstructed his access to any from Barclays. He adds Barclays' emails merely say he's been sent an important message and should log into his online account to view these. But there is no subject, which shows Barclays were deliberately diluting and concealing the importance of telling him about the account closures.

Mr K accepts his account was paperless. So I don't have any reason to doubt that he had set his communication preferences as online. I can also understand why someone living abroad may do this. In turn, the onus is then on Mr K to check and appropriately follow up on any communication Barclays sent him in line with his preferences. Barclays says it doesn't send specific and personal details by email but sends notifications in this way. That's because emails aren't a secure method.

Barclays has a duty to protect its customers from financial harm. And I can understand why it would protect the security of its correspondence in this way. So given Mr K's communication preferences, and that Barclays sent notifications alerting him of important correspondence, I'm persuaded it hasn't done anything wrong in the way it communicated the decision to close his accounts.

In reaching this finding, I'd like to assure Mr K that I haven't undervalued nor ignored what he's said about his ill health - and how Barclays' decision to close his account, and how this was communicated to him, exacerbated it. I don't doubt what Mr K says, but it's difficult to determine the impact to his health was because of what Barclays did. Importantly, and as I've already said, I don't think Barclays have done anything wrong.

Reclaim of funds

Barclays accept one of its teams incorrectly said Mr K's address verification information from the HMRC was out of date. That's because Barclays' processes allow it to accept a document from this source up to 12 months old. Barclays was shortly after able to do increased verification checks on the telephone as it had concerns Mr K's foreign driving licence had expired.

I agree that Barclays could've done something similar a few weeks earlier around the 3 January 2024. Barclays say it could only have done so a day later due to the different teams handling the matter internally. However, what's important here is *Barclays* had enough details on 3 January 2024 to have called Mr K. How its set-up internally shouldn't be a reason for not acting on any information presented to it in a timely manner. So I think Barclays should pay Mr K 8% simple interest for being deprived of his funds for longer than he ought to have.

I know Mr K questions Barclays' verification process for him to regain his funds given he was a long-standing customer. But Barclays needs to ensure it correctly discharges its obligation to return the funds to its rightful owner. So I don't think it has done anything wrong here.

Customer service – phone calls

Mr K has complained that some of Barclays' staff members deliberately disconnected the phone on him and behaved inappropriately. Barclays has sent me call recordings of conversations its staff had with Mr K. I have listened to these very carefully. Having done so, I'm satisfied, from the calls I've listened to, that this wasn't the case.

I note Barclays offered Mr K £25 compensation for providing the wrong link on one of its calls for Mr K to initiate the reclaims process. I don't think it needs to do anymore.

Mr K says Barclays' actions have caused him financial loss, inconvenience, and substantive distress. I do appreciate, and don't deny, that this matter would've caused him difficulty in the way he has explained. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Barclays given that I don't think it failed to properly follow its own procedures when it closed Mr K's account – and how this was communicated to him.

Putting things right

To put things right, Barclays must:

- Pay Mr K 8% simple interest on his funds from 3 January 2024 until they were sent to him*

*If Barclays considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

My final decision

For the reasons above, I have decided to uphold this complaint in part. Barclays Bank UK PLC must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 October 2024.

Ketan Nagla
Ombudsman