

The complaint

Mr C complains that Barclays Bank UK PLC closed his accounts without notice and that it then did not address his concerns arising from the closure.

What happened

Mr C opened current and savings accounts with Barclays in 2022. He has explained that he chose to bank with Barclays because it is the only bank with a branch local to where he lives. That was important to him, as he has mobility issues.

In March 2023 Mr C found out when he tried to make a purchase using his debit card that his accounts were no longer functioning. Barclays had closed them without prior notice.

Mr C complained to the bank. It said that it had been within its rights to close the accounts, but it accepted that it should not have done so without giving notice. It offered Mr C £100 compensation in recognition of that. Mr C accepted that offer, and the bank paid him. Mr C was able to withdraw funds from Barclays a few days after his accounts were closed.

Mr C remained unhappy, however, and sought further information from the bank about the reasons for closure, both in writing and by telephone. He says he made a data subject access request (or DSAR), seeking the personal information which the bank held about him. His request was not answered.

Mr C referred the matter to this service. One of our investigators issued a preliminary assessment. She was satisfied that Barclays was within its rights to close Mr C's accounts, although she noted that the bank accepted it should have given more notice that it had before doing so.

However, the investigator also noted that Mr C had contacted Barclays after his accounts had been closed asking that they be reopened and making a DSAR. She did not believe that Barclays had dealt with that further correspondence as it should have done, and recommended that the bank pay Mr C a further £75 in recognition of that.

Mr C did not think that the investigator's recommendation went far enough and asked that an ombudsman review the case.

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.

Having done so, however, I have reached broadly the same conclusions as the investigator did, and for similar reasons.

I'll deal first with the account closure. It is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am

satisfied that Barclays' decision to close Mr C's accounts was a legitimate one. Barclays did not have to tell Mr C exactly why it had decided to close his accounts, and it could close them even if they had been operated legally and within the account terms.

However, banks should give reasonable notice of an account closure. What is reasonable depends on the circumstances, but in most cases personal customers should be given 60 days to make alternative arrangements.

In this case, Barclays accepts that it should not have closed Mr C's accounts without notice. It offered him compensation for that, which he accepted. Since Mr C accepted the bank's offer, I do not believe I need to comment further on that aspect.

However, Mr C later decided he was not happy with the settlement that had been reached. And he made a DSAR. Barclays says it has no record of that, but I think its telephone records show that it ought to have been aware that – as far as Mr C was concerned – there were outstanding issues. In my view, Barclays ought to have tried to address those matters – even if only by pointing out that Mr C appeared to have agreed to a resolution of the account closure complaint.

I agree with the investigator that Mr C should receive some compensation for the further inconvenience which resulted, and I agree too that £75 is a reasonable figure.

My final decision

For these reasons, my final decision is that, to resolve Mr C's complaint in full, Barclays Bank UK PLC should pay him £75 (in addition to the £100 he has already received).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 August 2024.

Mike Ingram

Ombudsman