

## **The complaint**

Mr M complains that Barclays Bank UK PLC ('Barclays') closed his bank account without notice. He wants it to be reopened and would also like compensation for the distress and inconvenience he suffered.

## **What happened**

Mr M said that, in September 2023, he noticed that he couldn't log onto his account, so he complained to Barclays. Barclays said it had decided to close his account and that this wasn't done in error and that it wouldn't change its decision.

Mr M told us he believed the account was closed because he had made large transactions over previous months. But he said he visited a branch when making those transactions and so Barclays was aware of them.

A notice to close the account was sent on 24 September 2023. Barclays responded to Mr M's complaint but it didn't uphold it. It said it wasn't able to provide specific reasons for the closure, but it was acting in line with its legal and regulatory obligations throughout its review process. Barclays confirmed Mr M could collect his remaining funds (£1,290.07) a few days later.

Mr M complained to us and said he wanted to be compensated for the trouble and upset he was caused. He said he believed Barclays breached its terms and conditions by not giving him two months' notice before closing the account. He said the account was closed the day he came back from abroad. He added that the intention was to use a large sum of money from the account towards his rent, and so he had to use money he had from other reserves. This meant he had less money to spend on other daily necessities. He also said he had to travel far to collect his funds. He wanted the account to be reopened.

While the complaint was with us Barclays said that it was prepared to offer Mr M £100 compensation for the distress and inconvenience the immediate closure caused him.

One of our investigators reviewed the complaint and felt that the £100 offer made by Barclays was fair and in line with what we would offer in similar circumstances. She said she agreed that notice should have been provided to Mr M before the account was closed.

Mr M didn't agree and asked for an ombudsman's decision. He said Barclays should have given him more notice as per its terms and conditions. He added that it prolonged things by not offering him compensation when he first complained. Mr M added that he is aware of other Barclays clients who had a similar experience to his and would like future customers not to have the same experience. He said Barclays should have more stringent policies

when it comes to account closures especially where a customer is abroad. He added that more options for withdrawal should be provided such as cheque or transfer.

Our investigator responded to say that Barclays isn't obliged to provide reasons when it decides to close a customer's account. She added that Mr M would have to complain to the regulator, the Financial Conduct Authority ('FCA') about the bank's processes and policies.

The complaint was then passed to me to decide.

### **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.

Barclays has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm.

Barclays will review accounts to comply with these responsibilities. It's common practice for banks and other financial service providers to restrict access to accounts to conduct a review- doing so helps prevent potential financial loss or other harm that could otherwise result.

Barclay's terms and conditions also say that it can close an account by giving two months' notice or with immediate effect in certain circumstances.

Having reviewed all the evidence, I'm satisfied that Barclays was acting in line with its legal and regulatory obligations when it restricted Mr M's account in September 2023.

I've also considered the basis for Barclay's review, which I find was legitimate and in line with its legal and regulatory obligations. So I'm satisfied Barclays acted fairly by blocking Mr M's account.

I should also add that I don't think Barclays is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it to do so.

Barclays decided to close the account with immediate effect. As I said above it can close an account with immediate effect under its terms and conditions under certain circumstances. And this isn't something we would disagree with as long as it has done so in a way which is fair and complies with the terms and conditions of the account.

Barclays now accepts that more notice should have been given to Mr M. Having looked at all the evidence, I think this is fair and reasonable. Barclays has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial

sensitivity. But Barclays now seems to accept that stronger evidence should have been present before it proceeded with the immediate closure. I think this is fair.

Nevertheless, based on the information provided I've seen nothing to suggest that Barclay's decision around closing Mr M's account was unfair. It follows that I won't be asking Barclays to reopen the account.

Looking at the impact the immediate closure had on Mr M, I agree with Barclays' offer of £100 compensation for the distress and inconvenience it caused. I note that Mr M said he had just come back from abroad and had to arrange to go and collect his funds and travelled quite a distance to do so. Mr M appears to have had other accounts so the impact of the immediate closure would have been reduced. But overall, I think £100 is in line with what we would award in similar situations.

Mr M has commented on Barclays' processes and how they could impact other customers. I appreciate Mr M's concerns but in this decision, I am only able to consider Mr M's individual complaint and how he was impacted. I note Mr M said he was able to collect his funds and that he said he was organised enough so this didn't impact him so I won't be awarding additional compensation for something that might have happened but didn't. Mr M also mentioned that another customer of Barclays had a similar experience as him but for the same reason, this isn't something I can consider here. The other customer would have to bring their own complaint.

### **My final decision**

For the reasons above I have decided to uphold this complaint. Barclays Bank UK PLC must pay Mr M £100 for the distress and inconvenience it caused him by closing his account immediately.

Barclays Bank UK PLC must pay the compensation within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 July 2024.

Anastasia Serdari  
**Ombudsman**