

The complaint

Mr S complains Barclays Bank UK PLC unfairly closed his bank accounts.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr S held a current account and Blue Reward account with Barclays. Following a central review of the accounts Mr S was issued with a 62 days' notice to close letter on 11 March 2024. During this time Mr S's accounts would operate as normal, but the letter explained Mr S would need to make alternative arrangements for his banking needs by 12 May 2024.

Mr S complained to Barclays about the unexpected closure of his accounts, explaining it had acted unfairly and the closures would have a detrimental impact on him. In addition, Mr S said Barclays didn't provide a clear reason for the closure and provided poor service. Barclays reviewed Mr S's concerns and explained that it had closed the account in line with the relevant terms and conditions, and it wasn't obliged to provide specific details to Mr S about its reasons.

Mr S referred his complaint to our service. An Investigator reviewed Mr S's complaint. They didn't uphold Mr S's complaint, and in summary, explained the following:

- Barclays' regulatory obligations meant it was required to monitor and review customer accounts and it didn't need to give Mr S notice of this review or a reason for the closure.
- Barclays has disclosed the specific reasons to this service in confidence and they were satisfied Barclays acted fairly in light of the information it had available.

Mr S remained unhappy and maintained Barclays had acted unfairly. Mr S explained that Barclays had accepted the service he had received was poor, and this admission meant it hadn't handled his accounts fairly.

As no agreement could be reached, the case has been referred to me – 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 can see Mr S feels very strongly about his complaint. That's clear from what's he's said to us and to Barclays. I appreciate Mr S was disappointed by the Investigator's opinion. I'd like to reassure Mr S that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to

comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach, it simply reflects the informal nature of our service.

As a UK financial business, Barclays is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as continuing to carry out due diligence checks on account holders, and there may be penalties if they don't. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and given me information to show why it reviewed and closed Mr S's accounts. Having carefully considered this, I'm satisfied Barclays took these actions in line with the obligations it must adhere to. In addition, 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. Having reviewed the terms of the accounts held by Mr S, I'm satisfied Barclays' decision to close the accounts is in keeping with them and appropriate in the circumstances.

I know Mr S feels Barclays has acted unfairly given the lack of information provided to him about the closure. Ultimately Mr S would like a detailed explanation as to why Barclays took these actions. But Barclays isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied Barclays acted fairly in deciding to end its banking relationship with Mr S.

Mr S says Barclays' decision to close his accounts caused him significant distress and inconvenience. I do appreciate this matter would've caused Mr S difficulty; especially given he used the current account regularly. The terms of Mr S' accounts allow them to close his account for any reason, so long as they provide at least two months' notice – which is in line with the regulations about payment accounts, and common industry practice. This is to give consumers the opportunity to set up accounts elsewhere. In this case I can see they gave Mr S 62 days' notice, which is appropriate and in line with these terms. The account was available to use during this period, and Mr S had sufficient time to make alternative financial arrangements. Ultimately, the closure of an account will always cause a degree of inconvenience, but as the reasons for the closure in Mr S's complaint are fair, I'm not persuaded Mr S needs to be compensated for this inconvenience.

Mr S believes he should be awarded compensation as he has been treated poorly and Barclays admitted to this. However, Barclays' full review of Mr S's complaint in its letter dated 2 April 2024 doesn't award Mr S compensation or highlight any errors on its part. To award compensation for financial loss, distress and inconvenience, I must reach the conclusion that Barclays did something wrong. But after carefully considering everything that's happened, I don't think Barclays has acted improperly.

I know this will not be the outcome Mr S was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Barclays to compensate Mr S or reopen his accounts.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 February 2025.

Chandni Green
Ombudsman