

## The complaint

Mr M complains Barclays Bank UK PLC (“Barclays”) closed his accounts, including a Help-To-Buy ISA (H2B), without notice nor explanation. Mr M adds Barclays has discriminated against him because of his race.

## 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.

In October 2023, following an internal review, Barclays sent Mr M a letter notifying him it had decided to close his accounts with immediate effect. Mr M’s current, savings, and H2B ISA accounts were subsequently closed.

Unhappy with Barclays’ actions, Mr M complained. Barclays upheld Mr M’s complaint. In short, the key points it made were:

- The decision to close Mr M’s accounts cannot be changed. But Mr M should have been given 62 days’ notice which would have provided him with enough time to make alternative banking arrangements. Because of this Barclays would like to offer £150 compensation
- One of Mr M’s accounts has 2 pence in it. And the other is overdrawn by about £13 – this needs to be repaid and the credit balance can be collected from branch

Mr M referred his complaint to this service. One of our Investigator’s looked into Mr M’s complaint, and they recommended it was upheld in part. In summary, the key findings they made were:

- Barclays’ decision to close Mr M’s current account was fair but it should’ve given him 62 days’ notice
- But the decision to close the H2B ISA wasn’t fair as the terms and condition of this product are different. They don’t allow for a H2B account to be closed except in specific circumstances which aren’t relevant here
- As Mr M only had a small balance in his H2B ISA, he hasn’t suffered a significant financial loss especially as there’s no evidence he would’ve reached the minimum savings threshold to get the government support. However, he’s lost the opportunity to do so. Because of this Barclays should pay £100 more compensation to the £150 already offered
- Barclays has provided its reasons for closing the accounts which show it acted fairly. And they’re not related to Mr M’s race

Mr M agreed with what our Investigator said. Barclays did not. In essence, Barclays says a

notice to close includes *all* its products and that *all* its applicable terms need to be read in the round – which in turn allow it to close all accounts a customer may hold, including the H2B ISA.

Our Investigator didn't think what Barclays said made a difference. In summary, they said:

- They understand the H2B ISA terms are to be read in conjunction with the customer agreement. But the H2B terms says where there is an inconsistency between the two, the H2B one's will apply. And the H2B one has a specific section which specifies when Barclays can close the account
- They also don't say the account closure reasons given in the general terms apply
- Whilst it could be interpreted that both terms apply, Barclays could have made this clearer when drafting its terms. Where an agreement is unclear, the benefit of doubt should be given to the party that didn't draft the terms – Mr M

As there is no agreement, this complaint has been 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.

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

Banks in the UK, like Barclays, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and provided information as to why it reviewed Mr M's accounts. I'm satisfied it did so in line with its obligations.

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.

With regard to the savings and current account, the terms and conditions of the account, which Barclays and Mr M had to comply with, say that it could close the accounts by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Barclays closed Mr M's accounts with immediate effect, but later said it had done so erroneously and he should have been given the full two months' notice. Barclays has provided an explanation, and evidence to support, why it decided to close Mr M's accounts.

Having looked at this carefully, I'm satisfied Barclays should have given Mr M two months' notice to close. So this means I'm satisfied that Barclays had reason enough to close Mr M's current and savings account. I can understand why Mr M wants a detailed explanation, but Barclays is under no obligation to do so.

### *H2B ISA*

Barclays also closed Mr M's H2B ISA account with immediate effect and accepts it should

have given him two months' notice. I note that our Investigator didn't think the H2B specific terms and conditions allowed Barclays to close it for the reasons it did. They also thought reading the point-of-sale declaration and Barclays' general account terms, in the round, led to ambiguity. And so, some benefit of doubt should be given to Mr M to find Barclays didn't have grounds to close the H2B ISA account.

I've very carefully considered this point, and having done so, I don't think I need to make a finding in fact about the H2B ISA terms and whether they allowed Barclays to close the account. Though I can see why they've been perceived as ambiguous.

I say that because had Mr M been given two months' notice, he would have had the opportunity to transfer his H2B ISA to another provider. To be clear, he wouldn't have been able to open a new account as they were no longer available at that point. But he could have *transferred* it in its entirety.

So I agree Mr M has lost the opportunity a H2B ISA provides. But I'm not strongly persuaded that this is a significant or considerable loss to him given the ISA held nominal funds in it. There are also other such saving schemes to help consumers that Mr M could apply for with other providers. So I think these are strong mitigating factors I will need to weigh up when making any award of compensation.

#### *Discrimination*

Mr M says Barclays closed his accounts due to his race and racial profiling. I'd like to assure Mr M that I've very carefully considered everything he's said about this. And I want to make clear I do not doubt how genuinely he feels about this matter and the upset Barclays' actions have caused him.

While I appreciate this is Mr M's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr M has said when deciding what I think is the fair and reasonable outcome.

Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Mr M was treated unfairly.

#### *Fair redress*

By closing the accounts immediately, Mr M had to make urgent alternative arrangements including sorting out any regular payments. He also had to change where his salary was paid. This no doubt caused him distress and inconvenience. Barclays also registered an inter-bank marker against Mr M but removed this proactively after a few weeks. It's possible this affected his ability - as he explains - to get a new account for a short time after. So this is something I need to think about too.

I said earlier that Mr M can find a suitable alternative to the H2B ISA, and that there are strong mitigating factors for me to consider in terms of weighing up suitable redress. After all, it remains that he lost a financial product he could otherwise have likely kept had Barclays done what it should have.

After careful consideration, I'm satisfied £250 is fair compensation for the distress and inconvenience Mr M has been caused.

### **My final decision**

For the reasons above, I have decided to uphold this complaint in part. I now direct Barclays Bank UK PLC to pay Mr M £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 October 2024.

Ketan Nagla  
**Ombudsman**