

The complaint

Mr F complains Barclays Bank UK PLC (“Barclays”) closed his account without explanation. Mr F also complains Barclays has discriminated against him; are improperly applying its Know Your Customer (KYC) checks; and blacklisted him.

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.

It’s important to note that this decision only deals with the closure of Mr F’s personal accounts. Any complaint points related to his wife’s, or his business accounts, are separate matters to be raised to the relevant financial business.

Following a review including a KYC exercise, Barclays notified Mr F in December 2023 that it had decided to close his accounts and would do so in February 2024. Unhappy with Barclays’ actions, Mr F complained. Barclays didn’t uphold Mr F’s complaint. In summary, it made the following key points:

- Barclays reviewed Mr F’s account in line with its regulatory obligations and its decision to close it has been carefully considered. Barclays is unable to provide further information on this
- Mr F was given ample time to make alternative banking arrangements

Mr F referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In short, their key findings were:

- Barclays’ review, including the KYC checks, and closure of the account were done fairly and in line with its obligations. Barclays is under no obligation to give Mr F an explanation
- Barclays acted fairly by giving Mr F two months’ notice in line with the terms of the account. It also didn’t restrict the account allowing Mr F to make alternative banking arrangements
- Barclays probably did make an error in sending emails to an incorrect email address for Mr F. However, this didn’t have any impact on the outcome as key communications were sent by letter
- There’s no evidence Barclays applied any adverse markers against Mr F
- Mr F says Barclays has discriminated against him. But Barclays treated Mr F fairly

Mr F didn’t agree with what our Investigator said. Some of the key points he’s made in response, which hadn’t been raised previously, are:

- Barclays hasn't returned the remaining funds in the account
- Barclays has internally blacklisted Mr F as a company he works with are having their account closed by Barclays too
- Barclays sent emails to a wrong email address which related to it wanting to know more about transactions he had carried out. Mr F only found out about this information request after the account was closed
- If Barclays asked appropriate questions about certain transactions, Mr F would've responded and provided what it needed. Had this been done, his account wouldn't have been closed by Barclays
- Barclays has acted in draconian fashion and like a totalitarian regime

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 F 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 not to uphold this complaint. I'll explain why.

KYC and review

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 Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

These obligations generally cover the entire period of its customer relationship – from application to eventually the end of the relationship. This includes KYC checks and/or Customer Due Diligence (CDD). It's worth noting these checks include not just the verification of a customer's identity, but also establishing the purpose and intended nature of the business relationship and origin of funds.

As part of these obligations, Barclays asked Mr F for some information and documents related to specific transactions which he has also highlighted in response to our Investigator's recommendations. Barclays has sent me copies of two letters it sent Mr F in October 2023 – I note both letters were posted to him.

I'm satisfied that Barclays carried out its review, including any KYC checks, in line with its obligations. Mr F has said things would've been different had Barclays sent emails related to

its checks to the correct email address. But I'm persuaded that isn't the case here given they were sent by post correctly given Mr F's registered address at the time. I'm also persuaded, from the evidence I've seen, that even in the absence of Mr F not sending this information, Barclays most likely would still have closed his account.

Mr F says Barclays' KYC checks are done by artificial intelligence, use unfair algorithms and it doesn't do enough as an organisation by truly knowing its customers through more traditional methods of its staff engaging personally at branch level with customers.

I believe it's also important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Barclays acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr F's complaint.

Account closure and explanation

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 F had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Barclays has provided me with an explanation and supporting evidence as to why it closed Mr F's account. I also note that Mr F was given two months' notice, with full access to his account until closure. After carefully considering this, I'm satisfied Barclays acted in line with the terms and conditions of the account and did so fairly.

I can understand why Mr F wants an explanation, but Barclays is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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.

Discrimination

Mr F says Barclays' actions are due to it discriminating against him based on his race. I'd like to assure Mr F 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 F'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 F 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 F was treated unfairly.

Other points

Barclays explained in its closure of account notification what Mr F would need to do to

withdraw his funds if he hadn't transferred them out by the closure date. Mr F should review this and note it involves him going to a branch with suitable proof of address and ID.

Barclays has confirmed that it hasn't added any external markers against Mr F. If it has any internal marker on its systems, I'm satisfied its entitled to do so as it wouldn't want Mr F to open an account with it again. I've already explained that this decision only relates to Barclays' actions in reviewing and closing Mr F's personal accounts.

Finally, as I don't think Barclays has done anything wrong, I see no basis to make an award of compensation for any distress or inconvenience Mr F has suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 13 December 2024.

Ketan Nagla
Ombudsman