

The complaint

Mr B is unhappy that Barclays Bank UK PLC closed his account and with the service he received from Barclays surrounding this.

What happened

Mr B resides overseas. In August 2023, Barclays closed Mr B's account – which he had held with Barclays for several decades – without any notice or warning. Mr B wasn't happy about this, especially as the closure of the account meant he was unable to access it, which in turn meant that he couldn't receive his UK pension that was paid into that account or pay a Barclays loan that he was paying from that account. So, he raised a complaint.

Barclays responded to Mr B and explained that they had made the commercial decision to generally no longer provide banking services to account holders based overseas. As such, Barclays didn't feel that they'd done anything wrong by following the account closure process that they had, and they noted that they had sent several letters to Mr B in advance of the account closure notifying him that the account would be closed.

Barclays also confirmed that they'd spoken with Mr B and placed holds on his loan and given him details of how he could pay the loan from an overseas bank account. And Barclays agreed to remove any missed payment markers regarding the loan from Mr B's credit file. Finally, Barclays apologised to Mr B if he felt the service he'd received when discussing the account closure with them wasn't to an acceptable standard, and they offered to pay £300 to him as compensation for any trouble or upset he may have incurred as a result. Mr B wasn't satisfied with Barclays response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response issued by Barclays, including the offer of £300 compensation, already represented a fair outcome to what had happened. Mr B remained dissatisfied, so the matter was escalated to 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.

Barclays have explained that they made the commercial decision to generally no longer provide banking services to account holders who reside overseas, such as Mr B does, which led them to take the decision to close Mr B's account. I'm satisfied that Barclays decision to generally no longer provide banking services to people who reside overseas is a commercial decision that Barclays are fairly and reasonably entitled to make. Although I would expect Barclays to implement any closure of accounts resulting from that decision – such as Mr B's account – in accordance with the terms and conditions of the account.

Upon review, I think that Barclays did that here. I say this because Barclays have demonstrated to my satisfaction that they sent three letters to Mr B in advance of the closure of his account, notifying him that his account would be closed.

Mr B has said that he never received these letters. But Barclays have also demonstrated to my satisfaction that they sent these letters to Mr B online, because Mr B had his contact preferences with Barclays set so that he received letters of that type online, and not by post.

That Mr B would have his contact preferences set like this makes sense to me, given that he had moved overseas. And if Mr B didn't want to receive letters online, I feel it was for Mr B to have altered his contact preferences with Barclays to reflect this, which he hadn't done.

Consequently, I don't accept Mr B's contention that his account was closed by Barclays without any notice or warning being given. Instead, I'm satisfied that Barclays were within their rights to choose to close Mr B's account and that they provided advance notice to Mr B of their intention to close his account.

As explained, Barclays have demonstrated to my satisfaction that these letters were sent online. As such, if Mr B didn't see these letters, then I feel this is likely to be because Mr B wasn't monitoring his online banking portfolio with Barclays such that he didn't see the letters that Barclays had sent to him. But Mr B not actively monitoring his Barclays online banking portfolio in this way isn't something that I would consider holding Barclays accountable for.

Mr B has explained to this service that he is very unhappy with the stress and trouble that he's experienced because of the closure of his Barclays account. But as explained above, I don't feel that Barclays did anything unfair or unreasonable in how they closed Mr B's account. As such, if Mr B has incurred stress and inconvenience here, I feel that this would have arisen because of Mr B not monitoring the online correspondence that Barclays sent to him, as I feel that he reasonably should have done.

Mr B is also unhappy that the closure of the account meant that several pension payments that he expected to be received into the account were returned to the pension provider.

However, I can only reiterate that if Mr B had monitored the online letters he received from Barclays – which again, were sent to him online in accordance with the contact preferences he had logged with Barclays – then Mr B would have been aware of the impending account closure and could have made alternative arrangements with the pension provider. As such, I don't feel that Barclays reasonably should be considered accountable for Mr B's dissatisfaction in this regard.

Mr B is also unhappy that payments to a Barclays loan that he was paying from his Barclays current account weren't made because the current account was closed, which meant that Barclays reported those missed payments to his credit file.

But I take a similar position on this matter to that previously described, being that I feel that this was a situation that Mr B could and reasonably should have avoided had he monitored the online letters he was being sent by Barclays.

It's notable that Barclays did provide Mr B with information about how he could make payment to the loan from an overseas bank account. Mr B has said that he tried to make a payment to the loan from an overseas account using the information given to him by Barclays but was unable to do so. But I've reviewed the information given to Mr B by Barclays and I'm satisfied that it was correct. As such, I'm unable to conclude that Mr B's inability to make a payment in this regard was because of any failure of Barclays.

Barclays later agreed to use a portion of the money in Mr B's closed current account, which Mr B had requested be returned to him, to settle the outstanding loan. Barclays have confirmed that this is outside of their usual procedure, but I'm pleased to see that Barclays were able to work with Mr B and find a solution to the problem in this instance.

Mr B was unhappy that Barclays didn't accept documents that he sent to them when he initially requested the return of his money held in his account, having discovered that it was closed. But I'm satisfied that the documents Mr B sent didn't meet Barclays requirements, meaning that it was fair for Barclays to request that further information be provided by Mr B.

Barclays also agreed to remove the missed payment markers from Mr B's credit file, which Barclays have confirmed has now been done. Barclays agreeing to remove the missed payment markers from Mr B's credit file seems generous to me, given that I feel that Mr B should be considered accountable for missing the loan payments and because those missed payment markers were an accurate reflection of how Mr B managed the loan account. However, I'm pleased that Barclays have honoured their promise to Mr B in this regard.

Finally, Barclays apologised to Mr B for the service he'd received from them when he'd called from overseas about the account closure. Barclays offered to pay £300 to Mr B as compensation for any trouble or upset he may have incurred as a result. Matters of compensation can be subjective. However, I've listened to recordings of the relevant calls between Mr B and Barclays. And having done so I feel the £300 compensation as offered by Barclays does provide a fair outcome to this aspect of Mr B's complaint.

Accordingly, while I will be upholding this complaint in Mr B's favour, I'll be doing so only to formally instruct Barclays to pay the £300 to Mr B that they've already offered to pay. And I won't be issuing any further or alternative instructions to Barclays beyond this. I realise this won't be the outcome that Mr B was wanting. But I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclays must pay £300 to Mr B.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 September 2024.

Paul Cooper
Ombudsman