

The complaint

E has complained that Barclays Bank UK PLC (“Barclays”) didn’t close its account when requested.

This meant that automated payments and fees continued to be paid from the account, resulting in the account going overdrawn. E would like Barclays to write off the overdrawn balance.

What happened

A director of E called Barclays on 21 August 2023, explaining that he wanted to close E’s account. Barclays explained that if the director of E arranged for E to be struck off on the Companies House register, then E’s account would be frozen, and E and its directors would then not need to take any further action beyond that point.

However, because Barclays was not informed that E had been struck off the Companies House register, the account remained open after this call.

The directors of E discovered that the account was still open and had since built up an overdrawn balance. So in January 2024, they submitted a complaint to Barclays.

Barclays issued its final response letter to E on 19 January 2024 and didn’t uphold the complaint. Unhappy with Barclays’ response, E referred its complaint to this service.

One of our investigators assessed the complaint and they did not uphold the complaint either. As the directors of E didn’t agree with the investigator’s conclusions, the matter was referred for an ombudsman 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.

Having reviewed everything, I’m unable to uphold this complaint for broadly the same reasons that the investigator gave. I will explain why that is.

On 21 August 2023 a director of E phoned Barclays to say they wanted to close E’s business account. To understand what exactly was said, we asked Barclays to provide a copy of the call recording. I understand that the directors of E have concerns that the call recording may’ve been doctored, but having listened to the call, there was nothing in it to suggest that it had been.

Having listened to the phone call, I accept that the conversation did start off by the director of E requesting the closure of E’s account. Following this request, Barclays then explained that if the directors of E arrange to strike off the company with Companies House, once Barclays is informed of that, that would result in E’s account being frozen. And once the account is frozen, the directors of E would then not need to take any further action regarding the account.

However, because E had an outstanding Bounce Back Loan at the time, the conversation then focused mainly on what would happen with that loan, rather than E's business account. In summary, Barclays said that it would raise an objection due to non-payment of the loan, but then the loan, which was issued by the Government, would eventually be written off by the Government.

Having listened to the call, I'm satisfied that Barclays made it clear that E's account would only be frozen *once E had been struck off of the Companies House register*. This meant that the account would remain open until that time. Indeed, the member of staff said that it could take a couple of months before that could happen.

However, looking at the Companies House website, I can't see that the directors of E applied for E to be struck off until 18 January 2024 (although it seems the application to strike off the company was later suspended). Therefore, I can't say that Barclays is at fault or acted incorrectly because E's account remained open in the months after the telephone call on 21 August 2023. Nor can I say that Barclays gave the directors of E incorrect information during that call.

Unfortunately, it seems that when Barclays said that the directors of E would not need to take any further action, the directors of E mistook that to mean from the date of their conversation. But Barclays did clearly say that the account would be frozen once Barclays was informed that E had been struck off. Therefore, I can't reasonably hold Barclays responsible for the directors of E incorrectly assuming that they didn't have to take any further action in relation to the account from 21 August 2023.

Having listened to the call, I would say that Barclays could've perhaps been clearer about what would happen with the account and payments in the meantime. But equally, Barclays did ask if the directors of E had any further questions. So they were given the opportunity to ask about what would happen with the existing payments until they applied to strike off E from the Companies House register. And given that, for whatever reason, the directors of E delayed applying for E to be struck off, they were free to get back in contact with Barclays in the meantime, if they wanted to discuss the impact the delay would have on their account.

I can also see that the statements for E's account continued to be generated at the same intervals as before the 21 August 2023 conversation. And electronic notifications of charges that were due to be applied to the account, were issued on 25 October 2023, 19 November 2023, 24 December 2023, 21 January 2024 and 22 February 2024. So, Barclays did continue to issue the necessary account documentation after the 21 August 2023 conversation took place.

Unfortunately for the directors of E, as the account essentially carried on as it had prior to the 21 August 2023 telephone conversation, this meant that all of the existing automated regular payments that had been set up, continued to be paid from the account. This resulted in the account going increasingly overdrawn. The account was approximately £2,400 overdrawn by the time that the directors of E had realised that the account was still in fact open and continuing to operate as normal.

Therefore, whilst I can understand why the directors of E would like the overdrawn balance to be written off, I can't reasonably say that it should be. The directors of E were made aware that the account would only be frozen once E was struck off on the Companies House register. Therefore, I can't say that Barclays is at fault for allowing the account to continue as normal following the telephone call.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E and E to accept or reject my decision before 14 November 2024.

Thomas White
Ombudsman