

The complaint

Mr D complains that Barclays Bank UK Plc (Barclays) closed his account and withheld his funds.

What happened

Mr D had a current account with Barclays. The terms and conditions of the account permitted Barclays to close the account with 60 days' notice, or, in some circumstances, it could close the account with immediate effect.

Barclays decided to review Mr D's account. On 10 April 2024 Barclays removed an amount of money from the account which Mr D had deposited there some time ago. Barclays asked Mr D for evidence showing he was entitled to that money.

On 11 April 2024 Mr D attended hospital, having been referred to the mental health team there by police who he said had attended his home. The discharge letter he provided to this service said he was discharged in the early hours of 12 April 2024 with no follow-up required.

On 12 April 2024 Barclays wrote to Mr D saying it had decided to close his account immediately. Barclays said Mr D collected the funds that remained in his account that day in a branch. Mr D later said he never received a copy of the letter Barclays said it posted that day.

On 26 April 2024 Barclays released the amount of money it had removed from Mr D's account earlier, and he collected it in a Barclays branch.

Mr D complained to Barclays about its actions on his account. In response Barclays said, in summary, the following:

- Although Mr D said he didn't receive the account closure letter by post, Barclays had been able to print it out for Mr D. And it had given him an email address for the proof of funds team, to make it easier for him to provide information.
- The letter from Barclays had explained what information Barclays wanted from Mr D to prove he was entitled to the funds in his account.
- The decision to close Mr D's account wasn't related to his race or other personal characteristics.
- Barclays couldn't go into more detail about its reasons for closing the account, but it didn't make such decisions lightly.
- Barclays was sorry to know of Mr D's mental health concerns and it had spoken to him about that and referred him to some support services.

Mr D wasn't satisfied. He referred his complaint to this service.

After the complaint was referred to this service Barclays told this service it should've given Mr D notice before closing his account. It offered to pay £200 to Mr D to compensate him for not doing so. Mr D didn't accept the offer.

One of our Investigators looked into Mr D's complaint. He also thought Barclays should've given notice to Mr D before closing his account. And he thought £200 was fair compensation for the distress and inconvenience Barclays caused him by not doing so. The investigator also said the following:

- Mr D said Barclays had discriminated against him, but this service can't make decisions on whether discrimination has occurred – our role is to look at whether the business has acted fairly.
- Barclays wasn't obligated to give Mr D the reasoning behind its decision to close his account.
- Banks are entitled to review accounts and the funds in the accounts. And they can't always guarantee that funds in an account will be readily available because they have broader regulatory obligations with which they must comply. In this case Barclays was entitled to review Mr D's entitlement to his funds, and it did the review in a reasonable timeframe.

Mr D didn't agree with the investigator's view. He said Barclays had moved money out of his account and not shown that on his statement at first. He said he didn't receive a letter that Barclays said it sent about the decision to close his account. Barclays said it would keep his money if he couldn't prove entitlement to it which made him realise its goal was to keep his money. And that caused him great distress. He said he became suicidal and ended up in hospital. He also said Barclays took his passport and driver's licence to another room for checking which he thought constituted discrimination.

The investigator further said that Barclays had been entitled to withhold funds from Mr D's account as part of its review, but the funds wouldn't become the property of Barclays even if they were withheld from Mr D. He said Barclays had provided a copy of its account closure letter showing the letter was sent to Mr D's address. And it wasn't unfair for Barclays to take his passport and driver's licence into another room for checking.

Mr D said he still disagreed with the investigator because the funds in his account had been there for 13 months, Barclays refused to answer questions apart from saying it would keep his money if he didn't prove his entitlement to it, Barclays had given him the letter in a branch but he still hadn't received it by post. And he said Barclays didn't take his licence to another room to check – it only took away his documents when he showed the passport as well as the licence. And so he thought it discriminated against him on the basis of his race or nationality. Mr D thought he should receive compensation of £5,000.

The investigator said Barclays had given Mr D a statement showing the withholding of his funds, so Mr D hadn't suffered any detriment even if his statement had not shown that information shortly before that. And £5,000 was out of line with what this service awards for complaints like this one.

Mr D continued to disagree. Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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 done so, I'm satisfied the offer of £200 from Barclays was fair to put things right for Mr D in this case. I'll explain why.

I first want to set out that our rules allow this service 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 for our investigation of Mr D's complaint is information we consider should be kept confidential. This means there's some detail I won't share with Mr D. But I'd like to reassure him I've considered everything.

The information I've accepted in confidence from Barclays is of a nature that shows Barclays had fair reasons for reviewing Mr D's account and denying him access to his funds while it did so. Banks are under strict legal and regulatory obligations. They must follow those obligations without unduly inconveniencing their customers. And I'm satisfied Barclays was fairly pursuing its legal and regulatory obligations when it reviewed Mr D's account. And similarly, the information I've accepted in confidence from Barclays shows that Barclays had fair reasons for deciding to close Mr D's account. So, I'm not awarding any compensation for the review or the closure of the account, or for the withholding of funds from Mr D's account.

Having said that, the information I've accepted in confidence from Barclays indicates that in the circumstances of this case Barclays should've given Mr D notice before closing his account. It shouldn't have closed the account immediately when it made the decision to stop doing business with him. Barclays acknowledged this was the case after Mr D referred his complaint to this service. And it offered to pay him £200 for failing to give notice before closing the account.

Mr D has said he thinks Barclays acted the way it did because of his race and he thinks he's been discriminated against. While I appreciate this is his perspective, it's 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 D 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. Having done so and seen the reasons Barclays closed Mr D's account, I'm satisfied that its decision wasn't related to any protected characteristic held by Mr D. There's no evidence Barclays acted improperly in deciding to close Mr D's account.

Similarly, I can't conclude Barclays acted improperly by taking Mr D's identification documents into a different room to check them. This act in itself doesn't constitute any detrimental treatment and doesn't indicate Barclays treated Mr D differently because of his race. There's no evidence that other customers were treated differently. And there are other possible reasons for Barclays conducting a check of documents in a different room. For instance, Barclays has said some documents need to be viewed under lights which are located in different places of bank branches. So, I'm not persuaded it was unreasonable that the bank staff took Mr D's documents elsewhere to check them.

In relation to the information Barclays gave Mr D, although Mr D said he didn't receive the posted letter from Barclays and Barclays didn't at first show on his statement that it had withheld funds from his account, these matters were quickly put right. Barclays was able to produce a copy of the dated letter it said it sent, and the letter had Mr D's address on it. If Mr D didn't receive it I can't necessarily say that was the fault of Barclays. In any case, even if Mr D didn't receive the letter by post, he found out about the account closure when he was in a Barclays branch. Barclays said he collected his remaining funds from the account on the

day it sent the letter about account closure. And Mr D has acknowledged Barclays printed him a copy of the letter in branch.

When Barclays told Mr D it would keep his money if he didn't provide proof of entitlement, I think it's likely that was a way of telling Mr D simply that he wouldn't receive the money back if he didn't provide proof. I don't think this was an unreasonable way for Barclays to explain the situation to him – the point for Mr D was that he needed to provide evidence he was entitled to the money to receive his funds back. I can understand Mr D might've been shocked and worried, but I think Barclays told him clearly enough what he needed to do and why it wanted him to provide information.

Finally, the fact Mr D's funds had been in his account for some time doesn't mean it was unreasonable for Barclays to make checks on those funds and to withhold the funds while it made checks.

I understand Mr D said his hospital visit on 11 April 2024 was related to the distress he felt over the actions of Barclays. I'm very sorry to know that Mr D felt as low as he did at that time. I note that the hospital visit appears to have taken place before Barclays communicated its decision to close his account. Because of that and what Mr D has told us, I think his distress at that point related mainly to the withholding of money from his account and his worry about not getting the money back. I can certainly understand Mr D's distress on this point. But I haven't found that it was wrong for Barclays to remove the money from his account. So, I can't ask Barclays to compensate Mr D for distress he felt over that particular action.

The closure of Mr D's account without notice would've caused him unnecessary distress and inconvenience in relation to re-organising his banking arrangements. I understand he was able to withdraw the remaining funds from his account when the account was closed – so he didn't lose the use of those funds. But he would've been put to trouble having to quickly rearrange his direct debits and any other financial commitments he had in place at the time. For this I'm satisfied that the offer of £200 from Barclays is fair and in line with what this service generally awards in similar circumstances.

Overall, having considered everything carefully, I think the offer from Barclays was fair to put right its shortcomings in this case. Barclays offered to pay Mr D £200. Because it hasn't yet been paid, I'm including an order here for Barclays to pay it to Mr D.

Putting things right

Barclays Bank UK Plc has already made an offer to pay Mr D £200 compensation for distress and inconvenience it caused by closing his account without notice. I think the offer is fair in all the circumstances of this case. So, Barclays Bank UK Plc must pay £200 to Mr D.

My final decision

For the reasons set out above, my final decision is that Barclays Bank UK Plc must pay Mr D £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 November 2024.

Lucinda Puls
Ombudsman