

The complaint

A company, which I will refer to as S, complains that Barclays Bank UK Plc wrongly closed its account.

(I am aware that S's director is also unhappy about some issues relating to his personal account, but this decision is solely about S's complaint about the closure of its bank account.)

What happened

Barclays closed S's account on 4 October 2023. There is no need for me to decide whether Barclays made a mistake; Barclays accepts that it was wrong to close S's account. The dispute is now about the appropriate level of compensation.

Barclays re-opened S's account on 1 November 2023, but S then had difficulty accessing its online banking. The online banking issue was not resolved until 12 December 2023.

Barclays paid S £200 in compensation for the inconvenience it had caused. S's director thought that was not enough, and referred the matter to the Financial Ombudsman Service.

One of our investigators looked at this complaint and upheld it in part. He thought £200 was fair for inconvenience, but he considered that Barclays should also refund any costs S's director incurred in making calls to Barclays between 4 October 2023 and 12 December 2023.

Barclays said that in principle it was prepared to reimburse call costs, but it wanted to see evidence that S had in fact incurred costs. It noted that many call plans have a fixed cost for a certain number of minutes, so it is possible that S did not incur any additional costs when its director called the bank.

S's director did not accept our investigator's conclusions. He said that our investigator had failed to hold Barclays accountable for closing S's account without warning, and that Barclays should restore his access to all of his accounts.

My provisional decision

I issued a provisional decision on this complaint in September 2024. I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I stress that I am only looking at the circumstances of S's complaint against Barclays; I am not looking at any complaint S's director may have made against Barclays in a personal capacity.

As a limited company, S is not capable of suffering distress – but it can suffer inconvenience. S's director told us that he spent an hour on the phone with Barclays

trying to resolve this matter. (I understand he has also experienced difficulties in making payments from his personal accounts, but I cannot consider those issues here; the complainant in this case is the limited company S and not its director as an individual.)

We publish information on our website about our approach to awards for inconvenience. That is available at <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>. Our awards are intended to compensate the complainant for the impact the bank's error has had on them; they are not intended to punish the bank. That means I cannot accept S's director's recommendation that compensation should be calculated by reference to a Fibonacci sequence.

I am sorry to further disappoint S's director, but after taking our guidance into account, and applying my own judgement, I consider that the £200 Barclays has already paid does represent fair compensation for the inconvenience the limited company S has suffered.

I have also considered the issue of telephone costs. At my request, our investigator wrote to S's director seeking evidence of any costs incurred by S as a result of Barclays' error. S's director has not yet replied, which means that I do not yet have sufficient evidence to justify ordering Barclays to pay those costs.

My role as an ombudsman is to determine disputes between financial businesses and their customers. If I were to direct Barclays to pay costs that are as yet unspecified, then I would not be determining the dispute. I am therefore not willing to issue such a direction.

Once I have issued my final decision, I will not have any power to amend it to take account of further evidence. That means it is important that the parties provide me with everything they wish me to take into account before the date shown at the top of this provisional decision. If S provides further evidence as to call costs by that date, I will consider that further evidence – and I might make an award in respect of those costs. If I do not receive further evidence from the parties, then I intend to issue a final decision to say that I am satisfied the compensation Barclays has already paid is fair.”

Neither party responded to my provisional decision. I am satisfied that they have both had a fair opportunity to respond, and in particular that S's director has had a fair opportunity to provide me with evidence as to the costs of the telephone calls he made to Barclays.

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 come to the same conclusions as I did in my provisional decision, for the same reasons. I now confirm those provisional conclusions as final.

My final decision

My final decision is that Barclays Bank UK Plc has already done enough to resolve this dispute. I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or

reject my decision before 5 November 2024.

Laura Colman
Ombudsman