

## **The complaint**

Mr K and Ms S complain that Citibank UK Limited closed their account without an explanation. They believe Citibank UK Limited discriminated against them because of their nationality. They are also unhappy with the time it took Citibank UK Limited to transfer their assets.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K and Ms S had several accounts with Citibank UK (Citi).

Following a review Citi wrote to Mr K and Ms S on 30 April 2022 letting them know their accounts would close between 1 July 2022 and 31 July 2022.

Mr K and Ms S contacted Citi on 3 May 2022 with instructions regarding the transfer of the majority of their assets (cash and shares) to a firm I will refer to as B. Mr K and Ms S's cash was successfully transferred to Firm B on 14 June 2022. But Mr K and Ms S's investments weren't transferred so Mr K had to resubmit the paperwork and keep contacting Citi.

The investment transfer finally took place in October 2022.

Citi have said the delays in the transfer of the assets was due to Firm B failing to respond. But, they accepted they'd not communicated with Mr K and Ms S as well as they could have.

Mr K and Ms S thought the reason they had their accounts closed was due to their nationality. They said this was confirmed to them by two Citi employees including one in their country of residence.

Mr K and Ms S complained to our service. One of the investigators looked into the case and she thought Citi had complied with the terms of the account when they had closed it by giving 60 days' notice. However, Citi didn't provide this service with sufficient information to conclude that they treated Mr K and Ms S fairly when they decided to close their account. And she thought Citi hadn't considered Mr K and Ms S's allegation of discrimination. She thought that Mr K and Ms S were negatively impacted by the account closure, and the delay in transferring their funds so awarded £550 in compensation.

Citi disagreed, they said they had complied with the terms of the account so hadn't treated Mr K and Ms S unfairly. And that Mr K and Ms S hadn't provided sufficient details to raise a discrimination complaint against Citi. They said the delays in transferring funds were due to Firm B and Citi shouldn't be held liable for the delays.

Following further submissions by both parties a second investigator issued a view. He said Citi had still not provided the service with sufficient reasons for the closure of Mr K and Ms S's accounts. And therefore, he couldn't be satisfied the reason for the account closure was fair. He understood why Mr K and Ms S might think the closure was for unfair reasons.

And he thought £550 was fair compensation for the distress caused.

Citi didn't agree with the view. They said they were entitled to close the account under their terms and conditions.

As there was no agreement the matter has come to me to decide.

Following the issue of the second view our service requested further clarification from the business. Citi have provided evidence to our service in confidence which I've considered in my decision.

On reviewing all the information provided I reached a different conclusion to our Investigator – In summary I thought that Citi's actions in closing Mr K and Ms S's accounts were fair. But, I thought due to Citi's poor communication they did experience inconvenience. And I recommended £150 compensation.

Citi agreed to my recommendation.

Mr K and Ms S responded to say that Citi haven't asked them any questions about the source of their funds even though they've stated on several occasions that they are prepared to provide this. And they still haven't been advised why their accounts were closed – Mr K and Ms S believe that because the information relied on was confidential their accounts were closed due to their nationality.

As Mr K and Ms S didn't accept my Provisional Decision I've reconsidered my findings below.

### **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.

In my Provisional Decision I said:

*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 information about other customers or security information. Some of the information Citi has provided is information that we considered should be kept confidential, so I won't be sharing a lot of detail with Mr K and Ms S, but I'd like to reassure them that I've considered everything.*

*I'll start by setting out some context for the review of Mr K and Ms S's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Citi were complying with these obligations when they reviewed the account.*

*Citi isn't obliged to provide Mr K and Ms S with a reason why their account was reviewed or what might have prompted a review of their account. I've already said that Citi has procedures it must follow to comply with its legal and regulatory obligations. I'm satisfied that is what it was doing when it reviewed Mr K and Ms S's accounts. So, I don't think Citi has acted unfairly in doing so here.*

*Citi issued a letter on 23 April 2022 giving Mr K and Ms S two months' notice of their intention to close the account.*

*It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. As long as they don't discriminate against their customer and comply with the relevant terms and conditions. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.*

*Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. I can see that Citi wrote to Mr K and Ms S on 23 April 2022 and let them know they were closing their account giving 60 days' notice.*

*In order for me to determine that Citi acted fairly here Citi need to provide this service with information to show that they had applied the terms fairly not just that their terms allowed them to do what they did.*

*Mr K and Ms S have said they think their accounts were closed because of their nationality. And they have said that they were told by an employee of Citi in their country of origin that all nationals of their country were having their accounts closed. I can see therefore why Mr K and Ms S may have thought Citi was being discriminatory on the grounds of their nationality.*

*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 K and Ms S have 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.*

*I've reviewed the evidence Citi have shared with this service in confidence, and having done so I'm satisfied their reasons for closing Mr K and Ms S's account were reasonable. It follows, I haven't seen evidence to indicate that Mr K and Ms S were treated unfairly. And, I haven't found that Citi's behaviour was improper.*

*I understand this will disappoint Mr K and Ms S but because I'm now satisfied that Citi acted fairly when they decided to close Mr K and Ms S's accounts it follows I don't think compensation is payable here.*

#### *Investment transfer delays*

*Mr K and Ms S have said that there were delays with the transfer of their investments and these were due to Citi's failure to action their requests. Citi have argued that the delays were as a result of issues with Firm B which they aren't responsible for.*

*I've looked at the timeline of events and I can see that Citi initiated the transfer on 13 May 2022. I can also see that Citi chased Firm B on three separate occasions – and I can see they closed the transfer on 7 June 2022 having received no response from Firm B.*

*Mr K's shared that he received an email from Firm B stating that they hadn't received any contact from Citi. Citi reinitiated the transfer on 29 June 2022. And the transfer was finally completed on 21 October 2022.*

*I've looked at the information provided by Citi regarding the transfer. Unfortunately the only information I have from Firm B, is that shared by Mr K. From the evidence I've seen, It appears that Citi were proactive at the start in May 2022, but Firm B weren't responsive. For*

*this reason I can't safely conclude that Citi were responsible for the delay in Firm B accepting Mr K and Ms S's assets.*

*However, from the information I've seen it's clear that Mr K and Ms S weren't kept informed. This is also accepted by Citi. There was confusion between Citi and Firm B as to what was happening with the transfer of assets. In May and June 2022 Mr K chased Citi asking for an update on the transfer of their assets. But there's no evidence Citi responded to this communication from Mr K.*

*I'm not able to establish who was directly at fault regarding the delay to the transfer. But, it appears that both Citi and Firm B made errors in respect of the transfer, which resulted in Mr K and Ms S having to wait until 21 October 2022 for it to be completed. As I can't identify who should be held responsible for the delay, I won't be asking Citi specifically to compensate Mr K for this. But, I do think Citi should have done better in trying to keep Mr K and Ms S informed of what was happening and had they done so Mr K and Ms S would have been less concerned. I think this caused them unnecessary anxiety and distress.*

*Because of this, I think Citi should pay Mr K and Ms S compensation of £150. I know this will seem like a small amount to them but our awards aren't intended to punish the business for any error it might have made. And I think it's in line with our usual awards for distress and inconvenience.*

*For the reasons I've outlined above I'm planning to ask asking Citi to pay Mr K and Ms S £150 compensation.*

In response to my Provisional Decision Mr K and Ms S made two points – firstly that they weren't asked any questions about the source of their funds, and if they had been then they would have answered them. I've thought about what Mr K and Ms S have said, but Citi aren't required to contact their customers and ask questions regarding the source of funds when carrying out a review – this is something they may choose to do, but it isn't the case by not doing so Citi haven't acted fairly.

I've also thought about Mr K and Ms S's second point – that they still don't know the reason for their accounts closing and they believe it was due to their nationality. I understand it's very frustrating for Mr K and Ms S to not be provided with the reason why their accounts were closed – and I can understand why they think it was to do with their nationality. However, as I explained in my Provisional Decision I've seen evidence – that Citi have shared with me in confidence – which I'm satisfied shows that Citi didn't treat Mr K and Ms S unfairly. In reaching this conclusion I'd like to reassure Mr K and Ms S I've considered all relevant legislation included the Equality Act 2010.

For the reasons I've outlined above I'm satisfied Citi acted fairly in closing Mr K and Ms S's accounts, however they caused Mr K and Ms S inconvenience with their poor communication regarding the investment transfer. And I'll be directing Citi to pay them £150 compensation.

### **Putting things right**

Due to the inconvenience Citi have caused Mr K and Ms S I'll be awarding them £150 compensation.

### **My final decision**

My final decision is I partially uphold Mr K and Ms S's complaint and direct Citibank UK Limited to:

- Pay Mr K and Ms S £150 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Ms S to accept or reject my decision before 8 November 2024

Jeff Burch  
**Ombudsman**