

The complaint

Miss A and Miss A complain that Barclays Bank UK PLC closed their joint savings account without notice and that it withheld funds for several months.

What happened

Miss A and Miss A are sisters. They held a joint savings account with Barclays, but also held other accounts in different capacities. Other family members were also customers of Barclays.

In January 2024 Barclays wrote to Miss A to say that it would be closing her accounts (including the joint account which is the subject matter of this complaint) with immediate effect. The bank's letter explained that the holders of each of the accounts affected would need to provide proof that they were entitled to the funds, and it gave an indication of how they could do so for different types of account.

Miss A and Miss A say that they provided the necessary information on more than one occasion, but that Barclays would not release the funds. They referred the matter to this service, where one of our investigators considered what had happened.

The investigator asked Barclays to provide evidence and information setting out its position. In early August 2024 Miss A told the investigator that the funds had been released. However, as Barclays had still not responded to the complaint, the investigator recommended that it pay interest on the funds and that it pay Miss A and Miss A £325 in recognition of the inconvenience to which they had been put.

The bank then provided the information which the investigator had requested. Having reviewed that information, the investigator changed his view and concluded that Barclays had not acted unfairly after all. The investigator issued a fresh assessment of the complaint in which he did not recommend that it be upheld.

Miss A and Miss A did not accept the revised assessment and asked that an ombudsman review the case.

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.

The Financial Ombudsman Service is not bound by the same rules of evidence as a court would be. Amongst other things, our rules provide that we can accept evidence in confidence. Much of the evidence which the bank has provided here is commercially sensitive and has security implications. I am satisfied that it was reasonable for Barclays to ask that it be kept confidential and that it should not therefore be disclosed to Miss A and Miss A.

It is generally for a bank to decide, as a matter of its own commercial judgment, whether to provide or to continue to provide account services to any particular customer. And, as long as that judgment is exercised legitimately, this service won't intervene. Having considered the information provided in this case, I do not believe I should do so here.

When closing an account, however, a bank should provide its customer with reasonable notice of its intention to do so. What's reasonable depends on the circumstances, but in most cases involving personal accounts, a 60-day notice period is appropriate. In some cases, however, a shorter period, or no notice at all, may be reasonable. Having considered carefully the background circumstances in this case, I believe that Barclays acted fairly in closing the account without notice. I note that the account terms provided for that possibility.

Finally, I turn to the time it took to release the funds. They were available for collection from around 24 July 2024 – that is, six months after the account was closed. I appreciate that Miss A and Miss A will regard that as a long time. I do not however believe that money was withheld unreasonably while Barclays completed its investigations. I am satisfied those investigations were completed within a reasonable timescale.

My final decision

For these reasons, my final decision is that I do not uphold Miss A and Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A and Miss A to accept or reject my decision before 30 December 2024.

Mike Ingram
Ombudsman