

The complaint

Mr L has complained that Barclays Bank UK PLC, trading as Barclaycard, unfairly closed his account, without notice. He also explained it hadn't removed a fraud marker from 2020, despite having agreed it would.

What happened

Mr L had a credit card account with Barclaycard. However, it closed his account without notice in May 2024. It accepted that this was done in error, and offered him £300 in compensation. It said it couldn't reopen the account, but that he could reapply for another card.

However, after Mr L brought his complaint to our service, Barclaycard said it could keep his account open.

Mr L explained to us that his account is still showing as closed online, and he hasn't been sent a new credit card (having destroyed the previous one when the account was closed).

I issued a provisional decision, setting out my thoughts, and giving both parties the opportunity to make any further submissions. In my provisional decision, I said as follows.

I'm aware that it was only on 9 September 2024 that Barclaycard reversed its decision to close Mr L's account. But the issue began in May 2024, so I'm issuing a provisional decision to set out my thoughts, to ensure Mr L receives a resolution as soon as possible.

My understanding is that Barclaycard put a fraud marker against Mr L's account, on its internal system, back in late 2020. It accepted this was a mistake and said it would remove it. But it seems to me that this didn't happen, which led to the chain of events causing it to then close his account in May 2024.

I'm pleased to see that Barclaycard has accepted it made an error, and has now said it can keep Mr L's account open. But to date, Mr L doesn't have access to the account. So, it's fair that Barclaycard should ensure his access is restored as soon as possible, that he's sent a new card, and that the matter doesn't adversely impact his credit file.

It's my understanding that Barclaycard is restoring the old account, as opposed to opening a new one. So, it must ensure that any interest and charges that may have accrued since it sent the closure letter, until such time as Mr L's access is fully restored, are waived, as Mr L hasn't had the opportunity to manage his account as he would have had this error not occurred.

Barclaycard previously offered Mr L £300 compensation. I think this should be increased to £400, given the significant distress caused to Mr L. Not only has it been inconvenient, but it's caused him enormous worry that it may impact his job. In particular, it seems this stems from Barclaycard not removing a marker that it had previously said it would.

It's my provisional decision to uphold this complaint. I'm minded to require Barclays Bank UK PLC, trading as Barclaycard, to:

- pay Mr L a total £400 compensation. It may reduce this to £100, if it's already paid him the £300 it previously offered;
- ensure Mr L's access to his account is fully restored and he's sent a new card as soon as possible;
- ensure that any interest and/or charges which may have accrued during the period between the decision to close the account, and Mr L having his access to it restored, are waived;
- ensure the matter has no adverse impact on Mr L's credit file; and
- ensure the internal fraud marker from 2020 is removed, as previously agreed.

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.

As both parties accepted my provisional decision, I see no reason to depart from it. Accordingly, that decision now forms part of this final decision.

My final decision

It's my final decision to uphold this complaint. I require Barclays Bank UK PLC, trading as Barclaycard, to:

- pay Mr L a total £400 compensation. It may reduce this to £100, if it's already paid him the £300 it previously offered;
- ensure Mr L's access to his account is fully restored and he's sent a new card as soon as possible;
- ensure that any interest and/or charges which may have accrued during the period between the decision to close the account, and Mr L having his access to it restored, are waived;
- ensure the matter has no adverse impact on Mr L's credit file; and
- ensure the internal fraud marker from 2020 is removed, as previously agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 November 2024.

Elspeth Wood
Ombudsman