

The complaint

Mr A complains that Barclays Bank UK Plc have unreasonably closed his account and returned funds to the senders. He feels this was because of his nationality. He'd like his account reinstated or to be compensated.

What happened

Mr A held a current account with Barclays. But in May 2023 he found that he could no longer access the account. Barclays asked him to provide proof of entitlement for several payments made into his account. He sent in a receipt for cryptocurrency transactions. But the account remained blocked, and Barclays offered up no further details.

In August 2023 Barclays removed the blocks from Mr A's account, but returned three payments for £320, £408 and £193.11. Mr A withdrew the remaining funds in branch. The bank subsequently closed the accounts in September 2023.

Unhappy with what had happened Mr A complained to Barclays. The bank responded to say that they had closed the account based on their internal guidelines and were satisfied it was correct. They apologised for the inconvenience but did not offer to do anything more.

Mr A then referred his complaint to our service, saying he thought the closure had been down to his nationality. One of our investigators looked into what happened and didn't feel the review or closure were unreasonable. And they weren't persuaded Mr A's nationality played a part in this decision. But they didn't think Barclays had demonstrated it was reasonable to return the three payments. They suggest Barclays refund these to Mr A, along with 8% interest per annum for the time without these funds, and £100 compensation.

Barclays and Mr A disagreed with this. As no agreement could be reached the complaint was passed to me to decide.

Having reviewed the evidence I reached a different conclusion to the investigator. I issued a provisional decision that said:

Barclays, like all banks in the UK, must meet strict legal and regulatory requirements when providing accounts for their customers. These obligations can broadly be described as a requirement to monitor account and their activity for signs of financial harm – such as fraud, money laundering, or financial difficulty. These obligations mean that on occasion a bank may need to review an account's activity, to get a better understanding as to how an account is being used. And it may be necessary for the account to be blocked while a review is carried out. There is provision for this in the terms of Mr A's account with Barclays.

Barclays don't have to explain to Mr A why his account is under review – and in this case they have declined to explain in detail. They have however asked him to provide specific information relating to three payments – which I can see he supplied promptly. And it's these payments Barclays have returned to the senders.

The rules of our service allow us to treat certain evidence in confidence, subject to the discretion of the ombudsman. This could be for various reasons such as it refers to internal security procedures or involves consideration of information about third parties. In this case Barclays have given us further details about the reasons for the review of Mr A's account. Having considered this carefully I'm satisfied that it's appropriate this information remain confidential. So, I won't be detailing it in full here.

Mr A is concerned that his nationality may have played a part in Barclay's decision to review his account. And in the absence of any further reasoning from Barclays I can see why he'd hold this as a genuine concern. But having looked into it independently, I've seen nothing to say this was the case.

From what I've seen I'm satisfied that Barclays decision to block Mr A's account was reasonable. I see that it is in line with the terms of the account, and their wider legal and regulatory obligations. Once the review was completed Barclays took the decision to remove the three payments from Mr A's accounts. I've considered the evidence he's presented to show these were related to cryptocurrency transactions. I've also considered Barclays terms, which explain when they can take money from his account. Considering the wider circumstances of this complaint I'm satisfied that it was reasonable for Barclays to return these amounts to the senders.

Mr A subsequently withdrew the remaining balance, and Barclays closed the account. I'm satisfied this was more than reasonable. While I'm sure Mr A found it frustrating to not have access to his funds, I'm not persuaded that Barclays have done anything wrong in the way they handled the review of his account. I'm minded that Barclays were adhering to their legal and regulatory requirements. As such, I do not intend to ask them to do anything further.

Barclays responded to the provisional decision to say they had nothing further to add. Mr A disagreed with the provisional decision. He said he agreed that Barclays had the right to review his account but didn't feel it had been done fairly and he'd been denied information about his own account. He said he had received funds for selling cryptocurrency and had shown Barclays proof of this.

It now falls on me to consider the evidence afresh.

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 remain satisfied with the conclusions reached in the provisional decision.

Mr A has accepted that Barclays can conduct a review of his account – and I remain satisfied that the review was conducted in line with the bank's legal and regulatory obligations. I have considered his comments about their internal teams lacking coordination. But there's no obligation on the bank to explain the nature or status of the review with Mr A.

I've no reason to doubt what he's said about not being able to get firm answers on what was happening from Barclays. But ultimately, I don't see this makes a difference – Barclays wouldn't reasonably be expected to explain what was happening or provide a specific timeframe for the review to be completed. Barclays have decided not to share this information with him, and I'm satisfied that it would be inappropriate for me to direct that they do.

Overall, the decision to restrict Mr A's account while a review takes place was reasonable

and based on legitimate concerns. I've seen nothing to suggest it was based on any of his personal characteristics. I do not see that Barclays need to do anything to make up for any inconvenience that flows from this.

The result of the review was Barclays decided they no longer wish to provide Mr A with banking facilities. This was a reasonable decision, and I do not see that Barclays have made an error in this.

Turning to the funds returned to source, I'm satisfied from what Mr A has provided these were from cryptocurrency transactions. But I don't agree this shows he had conducted due diligence before completing the transactions – there is evidence of discussions with the buyers, but this appears brief.

As I mentioned in the provisional decision, Barclays has provided their rationale for returning the funds. I remain satisfied that it's appropriate for this evidence to remain confidential. So, I won't be able to expand on my reasoning from the provisional decision, except to say it conflicts with some of the information Mr A has provided.

Reviewing the wider account history, this account wasn't actively used for several months before it started receiving payments apparently for cryptocurrency, shortly before it was blocked. I've seen nothing to suggest this was Mr A's account for regular usage or spending. It's unclear why Mr A would choose to receive funds into this account for legitimate cryptocurrency sales.

I'm persuaded that Barclays' decision to return the funds was in line with the terms of the account, and with their legal and regulatory obligations. They do not need to provide him with any further information about the returns.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 November 2024.

Thom Bennett
Ombudsman