

## **The complaint**

Mr G complains Barclays Bank UK PLC unfairly closed his bank account and provided him with poor service.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

In late March 2024 Barclays placed a block on Mr G's account. During this period Mr G had no access to his account, but direct debits continued to be taken. Mr G applied for a switch to another bank during this period, but this was declined by Barclays.

After completing its review Barclays made the decision to end its banking relationship with Mr G. It issued him a notice to close letter on 9 April 2024, explaining Mr G's account would close with immediate effect. The closing balance was returned to Mr G in branch.

Mr G raised a formal complaint about the handling of his account, explaining he hadn't been given any information about the closure and that Barclays' actions had a significant impact on him – direct debits were missed, he wasn't able to switch providers, and Mr G spent time and effort rearranging his financial affairs.

Barclays reviewed Mr G's complaint and found it had acted correctly in blocking and reviewing Mr G's account. It explained it wasn't under an obligation to provide Mr G with specific details about its decision to review and then close the account. However, it did accept that it should've closed Mr G's account with the 62-day notice period. It offered Mr G £150 compensation for the impact of this error and an additional £75 for the service issues he experienced when he tried to log a complaint.

Unhappy with this response Mr G referred his complaint to this service. An Investigator reviewed the complaint, and in summary, made the following findings:

- Barclays carried out the account review in line with its legal and regulatory obligations. It also doesn't have to provide Mr G with specific reasons for the closure.
- The review was carried out fairly and in a timely manner.
- The account switch was fairly declined and the impact on Mr G's direct debits was rectified.
- The compensation offered by Barclays fairly reflects the impact the immediate closure and poor service had on Mr G.

Mr G remained unhappy and maintained that the compensation awarded was inadequate. The case has been referred to me – an ombudsman – for a final decision.

## **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.

I appreciate Mr G was disappointed by the investigator's opinion. I'd like to reassure Mr G that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

As a UK financial business, Barclays is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and given me information to show why it reviewed and closed Mr G's account. Having carefully considered this, I'm satisfied Barclays took these actions in line with the obligations it must adhere to. In addition, Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the terms and conditions of the account.

I know Mr G feels Barclays has acted unfairly given the lack of information provided to him about the closure. Ultimately Mr G would like a detailed explanation as to why Barclays took these actions. But Barclays isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied Barclays acted appropriately and in keeping with its regulatory duties.

Mr G says Barclays' decision to close his accounts caused him significant distress and inconvenience. Mr G has provided evidence to show the impact on him – such as failed direct debits. I do appreciate this matter would've caused Mr G difficulty, as Mr G appears to have used the account regularly. The decision to close a bank account immediately can't be taken lightly given the impact it can have on a customer. Based on the information I've seen and the account terms I agree that the full notice period should've been provided to Mr G.

Barclays accepts there were failings and has offered Mr B £225 to recognise these shortcomings. Mr G doesn't think this amount adequately reflects the impact Barclays' actions had on him and has asked for the compensation paid to be in excess of £6,000.

Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. Our awards are not intended to be punitive for businesses. The primary purpose of our awards for distress and inconvenience are to recognise the impact on a consumer where there have been shortcomings. In Mr G's case I've considered the timeline of events, and communication received by Mr G, and I'm satisfied the £225 compensation award recognises the stress and inconvenience caused. Mr G has reiterated his concerns about the account switch he attempted to complete and that he lost the £185 offered by the new provider. However, Barclays has explained a switch would not be actioned whilst an account is under review. Given its regulatory obligations I think this is a fair approach for Barclays to adopt.

Mr G has referred to CIFAS loadings and his credit file and says Barclays should remove any adverse information stored about him. Barclays has confirmed it hasn't recorded any adverse information about Mr G with external organisations.

I know this will not be the outcome Mr G was hoping for and I know Mr G will be disappointed with the decision I've reached. I hope it provides some clarity around why I won't be asking Barclays to take any further action to compensate Mr G.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2025.

Chandni Green  
**Ombudsman**