

## The complaint

Mr R complains that Barclays Bank Plc closed his accounts without providing a proper explanation. Mr R is also unhappy with the amount of time Barclays took to transfer his accounts. He says this caused him unnecessary stress and worry for which he should be compensated.

## What happened

Mr R had investment, ISA and SIPP accounts with Barclays.

In April 2023, Barclays decided to review Mr R's accounts to comply with its legal and regulatory obligations. Barclays blocked the accounts whilst it completed the review.

Mr R discovered his accounts were blocked and contacted Barclays to find out what was happening. But Barclays wouldn't give Mr R much information and told Mr R that it would send Mr R a letter in due course. When Mr R didn't receive the letter, he chased Barclays on 14 and 26 April 2023.

On 26 April 2023, Barclays wrote to Mr R to let him know that following its review it had decided to close all his accounts. The letter provided Mr R a list of options about what he could do with his accounts which included selling and transferring his investments. And said that Mr R needed to let Barclays know what he wanted to do with his accounts by 3 July 2023.

On 2 May 2023, Mr R made the decision to transfer his accounts to another investment platform, which I will refer to as H. Due to the block on Mr R's accounts, the transfer couldn't be done electronically. So, Mr R had to complete transfer paperwork to initiate the movement of his accounts. Mr R says Barclays took too long to carry out the transfers which meant he lost out financially. Below is a summary timeline of each account's transfers from Barclays to H:

- Investment Account

Barclays received the initial request on 1 June and sent a Valuation by email on 2 June. Barclays followed this up on 19 June and then received the acceptance on 26 June 2023. Trade and Settlement dates were arranged, and the transfer completed on 14 July 2023. The transfer completed within the expected timeframe of 30 calendar days from the date Barclays received the Acceptance.

- SIPP

Barclays has explained that SIPPS are transferred manually and traditionally take longer, sometimes up to eight weeks to complete. Barclays received the initial request on 5 July 2023, and sent a Valuation on 11 July 2023. Trade and Settlement dates were agreed for 20 July 2023 and most of the assets completing on that date. There were some funds which took longer but on 8 August 2023 the cash was transferred, and the transfer completed.

- ISA

Barclays received the request on 29 June 2023, but due to an administrative error by them this wasn't keyed onto the bank's systems until 13 July 2023. Whilst the majority of the assets were invested, and therefore not subject to market conditions Barclays also sent £127,542.19 in cash and this was delayed. Barclays sent the cash balance on 5 September 2023 to H with Mr R's account details as reference. This was rejected back to Barclays on 19 September 2023 and after checking, Barclays sent it again on 21 September 2023, with the same reference. On this occasion the transfer was successful.

Mr R complained to Barclays. He said Barclays treated him unfairly by blocking and closing his accounts without notice. And that Barclays had caused delays in transferring his accounts to H, which meant he'd been unable to trade. So, he said he'd lost out financially. Mr R also said that Barclays had taken too long to send him a letter about his account closing and hadn't provided a proper explanation about why he was no longer wanted as a customer.

In response, Barclays said that it had reviewed and closed Mr R's accounts to comply with its legal and regulatory obligations. And wasn't willing to provide a further explanation. Barclays said it had transferred Mr R's investment and SIPP accounts within its agreed timeframe. But it accepted it had delayed Mr R's ISA transfer by 14 days from 29 June to 13 July 2023. And that this had been caused by a human error. To put things right Barclays offered to pay Mr R 8% simple interest per annum on Mr R's cash balance for loss of use of the funds and £50 compensation for the trouble and upset the delay had caused him. Barclays didn't offer Mr R compensation for the in-specie transfer as these remained invested.

Mr R remained unhappy and asked us to investigate his complaint. He said the block on his accounts and lack of access to his funds caused him a lot of problems. He wants Barclays to provide a proper explanation about why it blocked and closed his accounts. Mr R said Barclays actions made him feel stressed and anxious. He said whenever he contacted Barclays he wasn't given any meaningful information. And he also had to chase the bank for the letter it said it was sending out, which was very frustrating. To put things right he said he wanted £1,000 compensation.

After looking at all the information the investigator said that Barclays hadn't treated Mr R unfairly when it had blocked and closed his accounts. He didn't think Barclays had caused any delays in sending out its closure notice to Mr R. The investigator said Barclays had caused some delays in moving Mr R's ISA account to H, but there wasn't a set timeframe for the transfer of Mr R's accounts. Based on the information Barclays had shared with us in confidence he didn't recommend Barclays should do anything further to resolve Mr R's complaint and said that Mr R should contact Barclays if he wanted to accept its offer of compensation.

Mr R disagreed. In summary he said:

- Barclays lied about sending communications out multiple times when they closed the accounts causing a two week delay to transferring the accounts.
- The clause they quoted in the letter when it arrived was not followed - it clearly stated notice would be given prior to closure. So they quoted the wrong clause to close the accounts.
- Barclays process to transfer was totally flawed. They received the request forms from H and lost them adding to the delays.

- Barclays placed a block on the accounts preventing transfers although their letter made clear he should be able to transfer elsewhere. This further added to the delays.
- Their own staff acknowledged the process was flawed and they caused untold unnecessary delays.
- H told him told me they had felt compelled to write to Barclays given their poor handling of the transfer. This is fairly telling as to how a peer firm viewed their handling of the case
- Part of the escalation of this complaint was how they are incorrectly trying to deduct tax from Mr R's compensation although the majority of the funds in question were in an ISA. They also calculated this on a reduced timescale.

Mr R asked for an ombudsman to review things. So the matter has come to me to decide.

### **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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Barclays has treated Mr R fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr R's submissions.

I want to make it clear that I understand why what happened concerned Mr R. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his accounts had been blocked. But as the investigator has already explained, Barclays has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

I've considered the basis for Barclays's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Barclays acted fairly by blocking Mr R's accounts. I appreciate that Mr R wants to know more about why Barclays did what it did. But Barclays isn't obliged to tell Mr R why it blocked and reviewed his accounts, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

The terms and conditions of Mr R's accounts also make provision for Barclays to review and suspend an account. And having looked at all the evidence, I'm satisfied that Barclays have

acted in line with these when it suspended Mr R's accounts. So, although I understand not having access to his accounts caused Mr R trouble and upset it wouldn't be appropriate for me to award Mr R compensation since I don't believe Barclays acted inappropriately in taking the actions that it did when it blocked Mr R's accounts.

The result of the review was that Barclays decided they didn't want to provide financial facilities to Mr R anymore. Barclays wrote to Mr R in April 2023 that it had decided to close his accounts in 30 days. And asked him to let them know what he wanted to do with his accounts. Mr R says that Barclays quoted the wrong term in its closure letter and didn't give him 30 days' notice. Mr R also says that Barclays took too long to send out the letter and lied to him that it had been sent when it hadn't.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, account facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed.

As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide account services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Barclays have relied on the terms and conditions when closing Mr R's accounts. I've reviewed the terms, and they explain that Barclays can close an account for any reason by giving 30 days' notice. In certain circumstances, Barclays can also close the accounts without notice. Here, despite Barclays providing Mr R with 30 days' notice of its intention to close his accounts, Barclays blocked the accounts. So, I consider Barclays closed the accounts immediately.

For Barclays to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Barclays has provided to this service in confidence, I'm satisfied that Barclays did. And that it was entitled to close the accounts as it's already done. So, I can't conclude that Barclays treated Mr R unfairly when it closed his accounts.

Barclays has provided some further details of its decision-making process, which led to the closure of Mr R's accounts. I'm sorry but I can't share this information with Mr R due to its commercial sensitivity. But I've seen nothing to suggest Barclays's decision around closing Mr R's accounts was unfair. On balance when considering Barclays's wider regulatory responsibilities and all the information available to me, I find Barclays had a legitimate basis for closing Mr R's accounts immediately. So, it would not be appropriate for me to ask Barclays to pay Mr R compensation since I don't find Barclays acted inappropriately when it closed the accounts.

Mr R has said that Barclays delayed sending out the notice to closure letter and that he had to spend time chasing Barclays. I can see from looking at the evidence that Mr R did contact Barclays on more than one occasion – seeking an explanation for why his accounts were blocked and that Barclays told Mr R that it would put everything in writing to Mr R. I can appreciate that this would have been frustrating for Mr R.

Barclays wrote to Mr R on 26 April 2023, which was around two weeks after it had blocked Mr R's accounts and he'd contacted them. I don't find this unreasonable. And I've not seen

anything that would lead me to conclude there were any avoidable delays in sending out the letter.

Mr R has said that Barclays took far too long to complete the transfers of his accounts to H. And he wants compensation for the trouble and upset he's suffered as a result of not being able to access his accounts. I've looked at the information Barclays provided about what it was doing as part of its transfer process. Having done so I'm not satisfied that Barclays has provided sufficient evidence to show it couldn't have completed the process earlier. I note too that Barclays has accepted its service feel short. But it doesn't follow that I must award Mr R compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr R's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Mr R has said and the content of Barclays's review, which includes the information Barclays has provided to our service in confidence, I don't find awarding Mr R compensation would be fair or appropriate. I understand Mr R would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr R. And the description of that information is that it's of a nature which justifies Barclays review, and which has led me to decide that awarding Mr R compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Barclays to compensate Mr R for any trouble and upset he may have experienced because of the time taken for Barclays to carry out its review, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in his accounts, including his unhappiness with Barclays's communication and the information it didn't provide him.

In summary, I recognise how strongly Mr R feels about his complaint, so I realise he will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling Barclays to do anything more to resolve Mr R's complaint.

### **My final decision**

For the reasons I've explained, 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 R to accept or reject my decision before 2 April 2025.

Sharon Kerrison  
**Ombudsman**