

The complaint

Mrs M complains Barclays Bank UK PLC ("Barclays") closed her accounts without notice nor explanation. Mrs M adds that Barclays caused significant avoidable delay in transferring her funds to her overseas account and handled her complaint poorly.

To put things right, Mrs M wants Barclays to compensate her for:

- The lost interest on her funds for the time she was deprived of them
- £25,000 for the substantive distress and inconvenience she's suffered
- legal costs for her professional representatives
- the cost incurred by another legal representative who spent more than 65 hours helping Mrs M

Mrs M is professionally represented. But to keep matters simple, and where practical, I will mainly refer to her in my decision.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

Following an internal review, Barclays notified Mrs M on 6 July 2022 that it had decided to close her accounts with immediate effect. And that it had done so in line with the terms and conditions of the accounts. Shortly after, Barclays informed Mrs M that she'd have to obtain a bankers draft from her local branch to withdraw her funds of around £3.5million which it was holding.

Mrs M didn't want to carry a bankers' draft for such a significant amount, so she asked Barclays if it could transfer the funds to her nominated account abroad. Mrs M says she was initially told this wasn't possible but after speaking on several occasions to a member of Barclays' branch staff, they said they would enquire and later said it could be done. Mrs M says she provided everything that was required of her to facilitate the transfer.

But as the funds had not been transferred for some time, and unhappy with Barclays' actions, Mrs M complained. Barclays partially upheld Mrs M's complaint. In summary, the key points it made were:

- Barclays confirmed it couldn't give any further reasons as to why the decision to close was made. It was satisfied Mrs M's accounts had been closed correctly but thinks more notice should have been provided. So, Barclays offered £100 compensation
- Barclays couldn't transfer the funds due to the amount, so a bankers draft was the only option. It recognises Mrs M's feelings around it being unsafe, but she would need two forms of ID to obtain it, and it could only be paid into one of her accounts

As Mrs M remained unhappy, she escalated her complaint with Barclays in December 2022. In summary, some of the key points Mrs M added were:

- She is currently spending most of her time abroad to care for her elderly mother who needs 24 hours care, and is dependent on the funds Barclays is holding to do so
- She has been trying for around five months to transfer the funds to her account overseas, but it hasn't materialised despite providing ID and her bank details to branch staff as requested
- Given the long delays, Mrs M had no alternative other than to instruct lawyers to take legal action for the recovery of her funds
- She has had to put her UK home on rent to generate income to support her family, particularly in caring for her mother

Mrs M's professional representatives, her Solicitors, then wrote and emailed Barclays periodically in relation to it releasing the funds by bank transfer. Mrs M says that as there was no substantive reply, and the funds had not been paid into her overseas account, the complaint was further escalated by her representatives in February 2023.

In addition to previously made points, and in summary, Mrs M's representatives added:

- A branch member informed Mrs M on 6 December 2022 that the next step of getting senior approval for the transfer should take three to five working days. But no further update has been received
- Barclays has failed to respond fully to the initial complaint, and to several letters sent thereafter including from her legal representatives
- Mrs M hasn't been able to pay for a permanent resting place for her father as intended
- Mrs M's overseas bank, who I'll refer to as "Bank V", dealt with all of Barclays' queries in relation to the transfer of funds. And since Bank V's reply on 3 November 2022, no further queries by Barclays have been raised with it

Barclays then informed Mrs M and her representatives that the funds had been sent to her account with Bank V on 1 March 2023, and that it should arrive in the next few days.

Barclays sent a further response in relation to Mrs M's complaint in March 2023. The key points Barclays made were:

- Its sorry its response has taken longer than anticipated. Barclays responded to Mrs M's formal complaint in November 2022. Its regrettable Mrs M's letters to its branch member weren't referred to the complaints team, but the request to transfer the funds was still being processed
- Account closures: Due to the confidential nature of its banking policies and criteria, Barclays is unable to provide a detailed explanation of its decision to close Mrs M's accounts. The notice to close the accounts with immediate effect was done correctly. The previous response in which the complaint handler said more notice should have been given was an error
- Failure to send funds: Barclays must complete several checks to ensure funds from

closed accounts to an overseas account don't breach its regulatory and legal obligations. Mrs M raised an enquiry about sending a transfer in branch on 9 September 2022. But they can't see any further notes until this was received by the relevant team on 18 October 2022. There was a further delay due to Barclays' backlog of repatriation of customer fund cases

- The transfer process requires Barclays to send SWIFT checks to the intended beneficiary bank to gather information to conclude its internal checks before the funds are released. The timeline of events of communication with Bank V, and the release of the funds was:

Initial response sent on 4 November 2022, as there was no response a chaser message was sent on 16 November 2022
Bank V responded on 16 November 2022, but as their answers were unclear Barclays sent a message that same day
Bank V responded on 24 November 2022, but it was unclear. So a third SWIFT was sent that day
Bank V responded on 6 December 2022, but it still didn't provide all the information required. Barclays then carried out further internal checks to see if funds could be released
A fourth SWIFT message was sent to Bank V on 19 January 2023, and another on 1 February 2023 to gain the clarity needed
Following a final message from Bank V on 16 February 2023, the repatriation of funds was approved
Following Barclays' internal approval on 16 February 2023, there were some delays, for which it apologises. The funds were returned on 1 March 2023

- Complaint handling: Its unfortunate Mrs M's correspondence of December 2022 wasn't referred to the complaints team. And it's clear the branch member didn't at times manage Mrs M's expectations correctly. Barclays apologises for this. But a complaint response was issued in line with Barclays' regulatory requirements in November 2022
- Resolution: Barclays accepts that at times there have been delays in sending Mrs M her funds. But the redress Mrs M is asking for isn't reasonable. That's because the delays were mostly due to raising several messages on SWIFT as Bank V were providing unclear information. Barclays would like to offer Mrs M £1,500 compensation to resolve her complaint

Mrs M didn't accept Barclays' offer and referred her complaint to this service. In addition to previously referenced points above, Mrs M's representatives added the following key points:

- Mrs M was concerned about Barclays' initial statement that more notice of account closure should have been provided, which was later retracted as an error. Barclays subsequently claimed it acted appropriately by closing the accounts immediately. She argues that had Barclays offered her additional notice, she would have taken the initiative to transfer her funds, thereby preventing any subsequent delays
- Mrs M, and anyone acting on her behalf, acted promptly to recover her funds from July 2022 onwards by chasing the issue at least on a twice weekly basis. Mrs M explained she didn't want a bankers' draft because (a) she had safety concerns in carrying such a large value payment instrument; (b) it could prove difficult for another bank to accept such a value draft; and (c) a bank transfer would be more transparent in terms of proving source of funds

- Mrs M says the branch member was unsure how such a large transfer could be processed and because of departmental changes, who she could speak to about authorising it. But Barclays' staff assured Mrs M they were looking into it. That staff member was unexpectedly absent so the issue was passed to a colleague who said they would need to start over again. This course of events is supported by Mrs M's 2 December 2022 letter to Barclays
- Barclays says it didn't send the first SWIFT message for almost four months from the time it sent the closure notification. But Mrs M had been trying from point of closure to initiate the transfer. There are also long and unexplained delays in Barclays responding to Bank V. All delays from closure to the funds being released are therefore attributable to Barclays

One of our Investigator's then looked into Mrs M's complaint. They recommended it was upheld in part. In summary, their key findings were:

- Barclays acted in line with its terms and conditions in closing the accounts and it's not obliged to give a reason
- Barclays acted reasonably in requiring checks to be completed with Bank V. Barclays made many requests to Bank V to confirm information, but they failed to do so. So Barclays can't be held responsible for some of the delay. But Barclays does accept it caused delay on two occasions as part of this process with Bank V. Barclays admit causing delay in initially making the request to Bank V. The second delay was after receiving the information from Bank V it needed and then delaying the transfer
- Mrs M had the opportunity to refer her complaint for free to this service and wasn't required to seek legal advice. So Barclays doesn't need to pay her legal costs. The £1,500 compensation offered by Barclays is in line with what this service would recommend
- As Mrs M has refused to provide information as to what she did with the funds, they're unable to recommend any interest should be paid

Mrs M's representatives agreed to the complaint being upheld but didn't agree that not awarding the legal fees and more compensation was fair. They added that where there are admitted failings in both the merits of the complaint, and in how it was handled, it isn't unreasonable for Mrs M to have sought legal assistance. And although legal assistance wasn't required, it was taken up by Mrs M.

So, given the failings in both the merits and complaint handling aspects by Barclays, legal advice was necessary. And had the legal representatives not intervened, Barclays' delays would have been significantly longer. Mrs M's representatives also said the funds received from Barclays were placed by Mrs M in long-term saving accounts. Of which, £900,000 attracts interest of 4.8%, and £2.6million is attracting 4.95%.

As there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I said I was planning on upholding this complaint in part. For ease of reference, here is what I said:

Provisional decision

"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 focussed 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. I do stress however that I've considered everything Mrs M, her representatives and Barclays have said before reaching my decision.

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'm planning on upholding this complaint in part. I'll explain why.

Review and closure of accounts

Banks in the UK, like Barclays, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and provided evidence as to why it reviewed Mrs M's accounts. I'm satisfied it did so in line with its obligations.

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.

The terms and conditions of the accounts, which Barclays and Mrs M had to comply with, say that it could close the accounts by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

I've considered what the terms and conditions allow for closing an account immediately. These are detailed in section five, under the sub-heading titled "When we can close an account or end a service". Barclays has provided me with a detailed explanation, and some supporting evidence as to why it closed Mrs M's account with immediate effect. I note that it has been inconsistent on its decision to have given more notice of the closures to Mrs M. But for the purposes of this decision and pragmatism, I will take its last position as that is which it now stands by.

Having carefully considered Barclays' submissions, I'm not persuaded that it had enough concern to have closed Mrs M's account with immediate effect. Given the evidence, and its explanation, I'm satisfied, Barclays should have given Mrs M two months' notice without any restrictions applied. Barclays would of course have been able to monitor the accounts in line with its wider obligations during the notice period and could have acted differently within this timeframe if circumstances changed.

In reaching this finding, I appreciate Barclays is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. Based on everything I've seen; I don't think Mrs M was treated fairly when her account was closed immediately.

I know Mrs M wants Barclays to give her a detailed explanation for why it closed her accounts. But Barclays is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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 I consider should be kept confidential. Treating this information in confidence, is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Release of funds and delays

If the full notice period had been given, I'm satisfied Mrs M would have likely transferred her funds from her accounts by using Barclays' normal banking services. This would have then mitigated the barriers she faced with the delay in receiving her funds, the concerns with the bankers draft and subsequent impact. I say that because her funds wouldn't have been moved into one of Barclays' suspense accounts, which appears to have caused ambiguity regarding the transfer of such a large sum. It's worth noting too, that Mrs M wouldn't likely have had to transfer her funds in one large amount either – so she could have done so gradually which likely wouldn't have needed senior manager authorisation.

Barclays argue Mrs M could always have had her funds by accepting the bankers' draft and that it didn't pose her the safety risk she perceived given it would be made out exclusively to her. And so, the draft could only be deposited in one of her personal accounts. I appreciate Barclays comments here, but I don't think this point is relevant given that I've decided Mrs M should have had full access to her account during a full notice period – and therefore, the bankers draft wouldn't have been needed regardless.

Mrs M later added that a bank transfer would also have averted the potential problem of another bank not accepting it and that it would help her prove her source of funds should she be asked about it. I don't think Mrs M's position on this was unreasonable given she was looking to release the sum of around £3.5million. What's also important here is that at some point Barclays' staff told her it could be done by bank transfer. And ultimately, it was.

Barclays' internal notes show that the funds were ready to be released on 19 July 2022 after it had completed its necessary and obligatory checks. These notes also show the earliest Mrs M said she wanted a bank transfer was the 9 September 2022. The note was left by the individual staff member Mrs M has said she, and/or her representative, were speaking to in branch.

Mrs M has said that she asked for the transfer instead of the draft as soon as she learnt the accounts were closed. Barclays evidence doesn't suggest that was the case. And I haven't seen any compelling or persuasive evidence from Mrs M that she had asked for this when she says she did. I note also that she was travelling extensively outside of the UK at that time to care for her mother.

Having given this point much thought, I've explained that I believe Mrs M would likely have moved all her funds out herself before the accounts would have been closed with two months' notice. Given the closure notification was on 6 July 2022, she would have had to have moved her funds by 6 September 2022 - as that is when the accounts would have closed with two months' notice.

So I'm satisfied it's from that point Mrs M has been deprived access to her funds that she otherwise would have had, had Barclays done what it should have. It's generally the approach of this service to award 8% simple interest where a consumer has been wrongly

deprived of access to their funds. But Mrs M's representatives have said that £900,000 was placed in a savings account attracting 4.8% interest. And £2.6million is also in a savings account attracting 4.95% interest.

Given it appears the funds were earmarked for savings, and the combined amount is equivalent to the funds Mrs M had in her Barclays accounts, I'm satisfied its fair and reasonable for Barclays to pay the savings rates for the time Mrs M was deprived access to her funds from 6 September 2022. Mrs M may argue that she would've moved her funds out much sooner and shortly after being given two months' notice but is not possible to accurately know what definitely would have happened. And that is why I have made a finding on what I think most likely would've happened – that is, the balance of probabilities.

This brings me onto when I think a fair point at which the compensation for the deprivation of funds should be paid until. Mrs M received her funds on 1 March 2023. Barclays say most of the delays in sending these funds were because Bank V's responses on SWIFT (Society for Worldwide Interbank Financial Telecommunication) were unclear and so, inadequate for it to safely send the funds.

SWIFT is a secure messaging system that allows banks, normally on an international level, to instruct each other on payments and accounts that they hold with each other. To demonstrate Banks V's failings, Barclays has sent me screenshots of its messages and Bank V's responses on SWIFT.

Having looked at these screenshots, I'm satisfied the transfer process was initiated on 4 November 2022 in the way Barclays says. From what I can see Bank V responded with the information Barclays wanted on 15 November 2022. Barclays say the responses weren't clear enough, and given its explanation, I'm persuaded Bank V's responses weren't at that point. Barclays needed more information and in its full format. Given the value of the transfer, its understandable that Barclays needed to take every precaution. Equally, Barclays could've set out upfront how it needed this information detailed from Bank V.

Barclays say the main issue with Bank V's responses was they didn't confirm explicitly the current tax and domicile address of Mrs M as per their records. But Bank V did say by at least 29 November 2023, that the answer to this question is the same as 'point 7' of its previous answers. Point 7 did set-out Mrs M's UK address.

Mrs M's transfer had to be authorised by a senior manager in line with its processes and because of the large monetary value. I can see why Barclays insisted on Bank V's responses being clearer, but it did have the information it needed by 29 November 2022, and if it wanted Bank V to be more precise or explicit, it should have made this clear.

Having given this careful thought, I'm persuaded it would be fair and reasonable to attribute 25 days of delay to Bank V. That is the difference between the 4 November 2022 and 29 November 2022. That means I think Barclays should be liable for Mrs M being deprived of her funds 25 days before it sent her the funds. I make that the 4 February 2023.

So, to be clear, Barclays should pay Mrs M the prevailing savings interest rate in the way I've outlined above from 6 September 2022 until 4 February 2023.

Complaint handling

Barclays accept that it didn't properly register and therefore respond to Mrs M and her representative's complaint related correspondences. Nor did its branch members manage Mrs M's expectations correctly. But Barclays say Mrs M was given a final response much

sooner in November 2022, and so it had met its regulatory obligations in responding to her complaint at that point.

To my mind, this means Barclays are saying it didn't have to respond to Mrs M or her representative given it had dispensed its complaint handling obligation.

I'm satisfied that Mrs M's points about the complaint handling are about the underlying financial service or the manner in which Barclays has administered its business in relation to that financial service. So I'm satisfied this is a complaint point I can consider.

Barclays isn't wrong that it had completed its complaint handling obligation when issuing Mrs M with a final response letter in November 2022. But given the March 2023 response was substantively more in-depth and made a different finding on whether more notice should have been given to Mrs M and as the redress offered was significantly more - £100 to £1,500 – and because new six months' referral rights were given on the March letter, I'm satisfied this amounted to the previous final response being effectively withdrawn

The errors Barclays have identified in its complaint handling would undoubtedly have frustrated and caused Mrs M distress. After all, it would have meant she felt her complaints weren't being listened to or being taken seriously. Having given this some thought, and in isolation, I'm persuaded Barclays should pay Mrs M £200 compensation for the distress and frustration this would have caused her.

Solicitors and personal legal representative fees

Mrs M says her personal legal representative spent at least 65 hours in dealing with Barclays and later appointed Solicitor firm representatives. And given the legal experience of her personal legal representative, their time should be compensated at a rate of £500 per hour.

I've already set-out my findings on the delays I think Barclays are responsible for, and I have in turn set-out what I think fair redress would be. So I don't think that's a pertinent factor here.

This service provides an informal dispute resolution service. Consumers don't need representation to make a complaint or bring their complaint to us. I appreciate this was a frustrating time for Mrs M and I can understand why she decided to seek legal advice. But I've not seen any evidence Barclays directed her to do so, or it was something she needed to do in the circumstances. So I can't fairly hold Barclays liable for this decision.

Distress and inconvenience

Both having your account closed with immediate effect or with two months' notice would've caused Mrs M distress and inconvenience. Though I do think the immediate closures would have caused Mrs M an accentuated level of distress. And as she couldn't transfer the funds personally and make alternative banking arrangements in a more orderly fashion, her inconvenience was exacerbated by what Barclays did wrong. So this is something I need to consider when making a compensation award.

Mrs M says she has had to put her UK home on rent to meet her and her family's financial needs whilst she didn't have access to her funds. She also says that she needed the funds for her mother's care provision, and she couldn't pay for a new permanent resting place for her late father.

I empathise, and don't undervalue in any way the impact of not having access to her funds with Barclays had on Mrs M. It's fortunate that she was able to rely on her family to support her through the period she didn't have access to her funds. It's also fortunate Mrs M was able to mitigate any impact by renting her UK property out at a time she also needed to reside abroad to care for her mother. Mrs M says renting the property helped with her and her family's financial needs.

Though delayed, Mrs M would have been able to carry out the work she wanted to do for her father once she received her funds. So she hasn't lost out on being able to do that albeit much later than she may have envisaged.

After weighing everything up and having referred closely to our guidance on compensation awards for distress and inconvenience, which is available on our website, I'm persuaded an award of £1,000 is fair compensation for the distress and inconvenience Mrs M was caused because of what Barclays did wrong.

I say that because the impact of Barclays' mistake has caused Mrs M substantial distress, upset and worry. With serious disruption to her daily life over a period that lasted around eight months.

Putting things right

To summarise, to put things right, I'm planning on directing Barclays to:

- *Pay 4.8% interest on £900,000 of the funds it was holding, and then 4.95% interest on the remaining funds from 6 September 2022 until 4 February 2023**
- *Pay Mrs M £1,200 compensation"*

The deadline for both parties to provide any further comments or evidence has now passed. Barclays agrees with what I said I was planning on deciding. And that should Mrs M agree, this service could send it her nominated bank details.

Mrs M representatives wanted to know what the calculation of the compensation plus interest award would be and sent this service its own breakdown. Through our Investigator I reiterated what I thought Barclays would need to do as per my provisional decision and asked if the accounts Mrs M moved her funds into paid simple or compound interest. Mrs M's representatives said the interest is paid on a per annum basis.

As both parties have responded, and the deadline has passed, I will now decide this complaint.

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, and for the reasons in my provisional decision – as above – I have decided to uphold this complaint in part.

Putting things right

To put things right, Barclays must:

- Pay 4.8% interest on £900,000 of the funds it was holding, and then 4.95% interest on the remaining funds from 6 September 2022 until 4 February 2023* on the

respective saving account's prevailing basis. This is generally on a compound basis for such accounts

- Pay Mrs M £1,200 compensation

*If Barclays considers that it's required by HM Revenue & Customs to deduct tax from that interest, it should tell Mrs M how much it's taken off. It should also give Mrs M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I have decided to uphold this complaint in part. I now direct Barclays Bank UK PLC to put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 January 2025.

Ketan Nagla
Ombudsman