

The complaint

A limited company, which I'll refer to as H, complains that Barclays Bank UK PLC acted unfairly when compulsory strike-off action was taken against H.

What happened

H was a customer of Barclays and took out a business term loan in 2020.

On 28 November 2023, the Registrar of Companies gave notice of its intention to compulsorily dissolve H in two months' time for failure to file accounts.

Barclays wrote to H on 1 December 2023 about the notice of intended dissolution. The letter asked H to get in touch and warned that if H didn't make contact, they might freeze any balances in H's bank accounts without further notice.

Barclays wrote again on 19 December 2023 confirming that they had frozen H's accounts and again urging H to get in touch.

On 22 January 2024, Barclays issued a letter formally demanding repayment in full of H's debts.

In March, Barclays transferred H's accounts to its recoveries department, at which point H's current account was closed.

On 1 May 2024, Barclays used their right of set-off to repay the outstanding loan using the current account balance.

H complained to Barclays in April 2024, but the bank didn't uphold the complaint. H then asked the Financial Ombudsman to look into what had happened. One of our investigators did so but concluded that Barclays hadn't made an error.

H's director asked for an ombudsman's decision. He made the following points, in summary:

- Barclays restricting H's account had also restricted access to the information needed to resolve the issue with Companies House.
- Barclays had accepted funds intended to clear loan arrears into H's current account and wouldn't refund them or transfer them to the loan, thereby preventing him from clearing the balance.
- Restricting his online access had also hampered his ability to resolve matters.
- He hadn't argued that the actions Barclays had taken weren't in line with their policy, but he felt their subsequent interactions weren't in keeping with their values, as a responsible lender.
- Barclays' recoveries manager was very hostile and had caused extreme stress.

- Barclays had tried to dissuade him from raising a complaint and hadn't dealt with his concerns regarding the accuracy of redemption figures.

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 have reached the same conclusion as our investigator. I have little to add to her conclusions.

In response to our investigator's findings, H's director mentioned that Barclays had still not removed their charge over H's property, despite having been repaid in full. He also said that he still had some concerns over their calculation of the amount H owed. I appreciate this may seem frustrating, but I haven't seen any evidence that these matters have been the subject of a complaint to Barclays. I am therefore unable to comment on them unless Barclays addresses them first. H has also made some comments about Barclays' complaint handling, but these fall outside my jurisdiction, so I will not comment further on them.

H seems to accept that Barclays followed their own procedures correctly. For the sake of clarity, I confirm that I agree. Neither do I consider their procedures to be unreasonable or unfair. I have reviewed the two letters Barclays sent after they were notified of the impending dissolution and I think they were fair, clear and not misleading and conveyed accurately the actions the bank would take if no action was taken by H.

Unfortunately, I've seen no evidence that H's director responded to the bank's letters until after the formal demand was issued and H's loan had therefore become payable in full. The Notice was dated 28 November 2023 and H's director did not make contact until 26 January 2025, days away from when the company might have been dissolved, had Barclays not lodged an objection. Had H's director responded sooner, I think it's likely that the bank would have been able to offer more assistance and a formal demand might well have been avoided.

I understand H's director's argument that Barclays' restrictions hampered his ability to resolve the issue with submitting his accounts that gave rise to the notice in the first place. But banks are entitled to act to preserve their position and freezing an account with funds in with a view to offsetting it against a debt is a reasonable step to take in this context. I know H's director has mentioned delays in obtaining statements but I haven't seen evidence of this.

A Notice of Intended Dissolution is unfortunately an important event with serious consequences. It also has a two month deadline attached, which means that banks need to act fast to protect their position if they are lending to the company under notice. In the circumstances, I am satisfied that the actions taken by Barclays here to be consistent with good industry practice.

I also haven't seen any evidence of Barclays' recoveries staff acting in a hostile manner or a manner likely to cause stress. Barclays has sent us the phone recordings they could find and these included one call with recoveries, which was very cordial and professional. The member of staff promised to provide a redemption statement on 30 April and the bank's records indicate that she did provide this.

My final decision

For the reasons set out above, I do not require Barclays Bank UK PLC to take any further

action.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 19 June 2025.

Louise Bardell
Ombudsman