

The complaint

Mr M complains that Barclays Bank UK PLC unfairly closed his account.

What happened

Mr M complained to Barclays after it closed his account in April last year. He's unhappy that the bank did so without giving him notice or an explanation for its decision. Mr M says he's vulnerable and suffers from mental health conditions, so he thinks Barclays treated him unfairly because it failed to take this into account.

Mr M says the bank's actions affected his mental health and financial status, as well as causing an impact to his credit record. Mr M adds that he was left with no banking facility.

In its response, Barclays explained that it had reached its decision to close Mr M's account fairly. However, the bank acknowledged that it should've provided Mr M with notice, so it paid him £150 compensation.

Mr M wants Barclays to explain why it closed his account and to reinstate it. So he asked this service to review his complaint. One of our investigators issued their outcome, explaining why they felt the bank had acted fairly.

Remaining unhappy, Mr M asked for a final decision. So the complaint has been passed 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.

Having done so, I've decided not to uphold this complaint. I know Mr M will be disappointed to hear this, so I'll explain my reasons.

It's generally for financial institutions to decide whether they want to provide or continue to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there is a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Barclays has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. Barclays may need to review accounts to comply with these responsibilities.

Barclays' terms and conditions say that it can close an account by giving two months' notice or with immediate effect in certain circumstances. Having looked at all the evidence and the

terms and conditions, I'm satisfied that Barclays was acting fairly and reasonably when it decided to close Mr M's account. Barclays has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that Barclays' decision around closing Mr M's account was unfair.

Barclays does however accept that it acted unfairly by closing Mr M's account immediately. The bank rightly recognises that it should've given him notice. Barclays paid Mr M £150 compensation because of its error. Based on what I've seen, I find no fair cause to ask Barclays to increase its compensation award.

Mr M understandably would like to know the reason why Barclays decided to close his accounts. Barclays doesn't need to give him a reason why, as much as he'd like it to. The same would apply to Mr M if he had decided to change to another bank. I appreciate Mr M is concerned the closure may affect his ability to bank elsewhere. But I've seen nothing to suggest that Barclays has recorded any adverse information under his name that would affect his ability to do so.

Mr M points to his vulnerability - which he says Barclays was aware of - as being reason to conclude that the bank has acted unfairly. I empathise with Mr M because of the health conditions he says he's having to deal with. But poor health or vulnerabilities do not prevent financial institutions from adhering to their legal and regulatory responsibilities. And I haven't seen anything that leads me to think that Barclays should've done anything different here because of Mr M's vulnerabilities. So I don't find that Barclays acted unfairly because of this.

To conclude, I won't be asking that Barclays do anything more in regard to this complaint.

My final decision

For the reasons set out above, I'm not upholding this complaint,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 April 2025.

Abdul Ali
Ombudsman