

The complaint

Mr H complains that Barclays Bank UK PLC unreasonably closed his account without notice and withheld his funds from him.

What happened

Mr H held a current account and an ISA with Barclays. But in March 2024 he suddenly found that his bank card had stopped working. When he contacted Barclays, he was told it was under investigation and it may take 10 working days for this to be completed. He later found that funds had been taken from his account with the reference “to reconcile”.

Unhappy with this Mr H complained to Barclays. They responded to say that are required to retain certain payments at times. In this case they confirmed the funds were returned to his account, but their terms allowed them to withhold certain payments at any time.

Three days after this, Barclays wrote to Mr H to say that they had now closed his account with immediate effect. He complained again but was told this was also in line with the terms. No further explanation was provided.

Dissatisfied with what had happened Mr H referred his complaint to our service. One of our investigators looked into it but didn't see the bank needed to do anything further. Mr H disagreed, saying while they may be within their rights to close his account, he felt they had lied to him. As no agreement could be reached 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.

Barclays, like all banks in the UK, have to meet strict legal and regulatory obligations when providing accounts to their customers. These obligations broadly can be described as a duty to monitor accounts for signs or financial distress, or financial harm. These are ongoing obligations throughout the lifespan of an account.

These obligations can mean that occasionally the bank need to take a closer look at a particular account or transaction and carry out a review. And the bank may decide it would be prudent to block an account or customer from carrying out any further transactions while they do. There is provision for this in the terms of Mr H's Barclays' accounts.

Barclays aren't obliged to let their customers know in advance if they are going to apply a block – and often it would not be sensible to do so. So, while I've no doubt that it came as a shock to Mr H to find he couldn't access his account, Barclays haven't done anything wrong by this.

Likewise, there's no obligation on Barclays to explain the nature of a review, or what's prompted it. Here they've declined to offer any explanation directly to Mr H. The rules of our

service allow us to receive certain evidence in confidence, for example if it contains information about security procedures, or third parties. Barclays have provided our service their explanation for the review and having considered this carefully I see that it's appropriate for them to remain confidential. So, I'm sorry to Mr H that I won't be detailing them in full here.

Overall, I'm satisfied that the reasons Barclays have given for blocking his account and carrying out a review are reasonable. And I'm satisfied that this is in line with the terms of the account, and Barclays' legal and regulatory obligations.

I appreciate it will have caused Mr H inconvenience to not have access to his funds. But I'm satisfied that the review was completed within a reasonable timescale. The ultimate outcome of the review was that Barclays decided to close the account. They have a broad commercial discretion over who they supply accounts, and generally our service wouldn't interfere if the bank decides to no longer provide accounts. But we would look to make sure that the account was closed in line with the agreed terms.

Barclays can only close accounts with no notice – as happened here – in limited circumstances. These are outlined in the terms. Having considered these terms, and Barclays' review, I'm satisfied that this was appropriate. The remaining funds were returned promptly to Mr H, and I've not seen anything to suggest there were any unreasonable delays.

Mr H has commented that Barclays lied to him. But having reviewed the communication notes between the parties, I'm not persuaded this is the case. Often when there is a review, there isn't a great deal a bank can tell their customer anyway. I don't see that Barclays have been unreasonable in how they handled Mr H's account, so I'm not asking them to do anything further.

My final decision

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 H to accept or reject my decision before 19 March 2025.

Thom Bennett
Ombudsman