

## **The complaint**

Mr D complains Barclays Bank UK PLC (“Barclays”) restricted and later closed his account without notice nor warning after falling victim to a scam. Mr D is also unhappy Barclays provided poor customer service particularly in not allowing him to withdraw funds in branch on his initial visit despite saying he could.

Mr D says being deprived of his money, and the loss of access to his only current account, caused him significant distress and inconvenience.

## **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.

In June 2024, following a review, Barclays restricted Mr D’s account. On 8 July 2024, Barclays decided to close Mr D’s accounts with immediate effect and notified him about this. And Mr D was told he’d need to go into a Barclays branch with the required ID to claim his money.

Mr D says when he went to the branch, he was told to complete another form and had to make return visits to claim his money. Mr D says this caused further delay in accessing his funds, including his wages, and therefore he couldn’t pay for essential everyday expenses.

Unhappy with Barclays’ actions, Mr D complained. Barclays upheld Mr D’s complaint in part. In summary, Barclays made the following key points:

- Barclays restricted Mr D’s Account and removed the funds held in them in line with its ongoing legal and regulatory obligations. That is why Mr D couldn’t access his funds. The funds were transferred back to Mr D’s accounts in July 2024.
- Barclays shouldn’t have closed Mr D’s account with immediate effect but given him 62 days’ notice to allow him to make alternative banking arrangements. Barclays offered £150 to Mr D for the distress and inconvenience.
- The account switch was correctly rejected as the decision to close the account had already been made.
- Barclays were required to carry out further checks before it could release the funds to Mr D. These checks were completed on 11 July 2024 and Mr D withdrew his funds on 12 July 2024.

Mr D referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In summary, their key findings were:

- Barclays removed funds from Mr D’s current and savings account whilst it carried out a review in line with its legal and regulatory obligations. The funds weren’t removed

by scammers as Mr D says.

- Barclays didn't do anything wrong in blocking and closing the accounts, and its under no obligation to provide an explanation.
- Mr D was unable to access his money from 20 June 2024 until 12 July 2024. This was due to its review and the checks it needed to carry out. Barclays didn't cause any undue delay here.
- Barclays offered Mr D £150 compensation for not giving him a notice period when it closed his accounts. Compensation however isn't justified, as the terms allow closure without notice. If Barclays wish to pay Mr D as per its offer, it can arrange this directly with him.

Mr D didn't agree with what our Investigator said. Mr D believes it wasn't Barclays who removed his funds as when he called Barclays initially, it never said this was the case despite numerous visits to branch. Barclays also said it should've have given him 62 days' notice but the Investigator at this service says an immediate closure was fine. And Barclays should give Mr D an explanation for why it took the actions it did.

### **What I've decided – and why**

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 Mr D 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 have decided not to uphold this complaint. I'll explain why.

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 it removed the funds from Mr D's accounts as part of its review and moved them to its internal accounts. From the information I've been provided, I'm satisfied this is what happened, and Mr D's funds weren't appropriated by unknown scammers. Though I can understand why Mr D thinks this given he wasn't given any explanation.

Barclays has also given me an explanation and supporting evidence as to why it restricted and reviewed Mr D's accounts. Having carefully considered this, I'm persuaded Barclays acted in line with its obligations in doing so.

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 account, which Barclays and

Mr D had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Barclays closed Mr D's account with immediate effect but later said it should have given him two months' (62 days') notice. Even if I were to find that Barclays should have given two months unfettered notice, I don't find awarding Mr D any compensation for the distress and inconvenience this caused, including not having access to his funds, would be fair or appropriate.

I understand Mr D would want to know the information I have weighed to reach this finding. But 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.

I'm satisfied from the information I've seen that Barclays didn't cause delay in returning Mr D's funds as it was following its processes which align with its obligations.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 June 2025.

Ketan Nagla  
**Ombudsman**