

The complaint

Mr D complains that Barclays Bank UK PLC froze his account without warning following his obtaining a debt relief order (DRO).

What happened

Mr D entered into a DRO, which was issued on 11 November 2024. Barclays received this through the official receiver on 14 November. As a result it froze the account, and advised Mr D that it would be closing it and sending him the balance by cheque. It said that if he still wanted an account he could apply for a basic bank account in a branch.

Unfortunately Mr D didn't realise this was going to happen and on 14 November he was able to use his bank card in the morning but after a taxi journey he found out the card had been blocked. He was in the process of moving house and had intended to pay for the hire of a vehicle which he couldn't do. He called Barclays, but the adviser was unable to unblock his account and unfortunately it was too late in the day for him to be able to visit a branch. He said this caused him to be left in a strange town without funds. And he had to walk for over two hours to find his sister's house.

The next day Mr D visited a branch and, with help from an adviser over the phone, he was able to open a basic bank account. He later called Barclays and said he wanted to buy groceries online but needed the card details. The adviser explained that they didn't have access to the security number on the back of the card, so Mr D wouldn't be able to do an online purchase. They suggested he go back to the branch to get cash or transfer money to another person. He said neither of those options were suitable for him.

Barclays subsequently gave Mr D notice that it would be closing his account. It said in respect of the phone call on 14 November that it believed he had acted in a threatening, abusive or inappropriate manner towards its staff so it was no longer willing to provide banking services to him.

On referral to the Financial Ombudsman Service, our Investigator said that they couldn't see that Barclays had done anything wrong by freezing Mr D's account. And that they thought Barclays had fair grounds for closing the account.

Mr D disagreed, and the matter has been passed to me for an Ombudsman's consideration.

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.

First of all I empathise with Mr D for the very difficult situation he found himself in. I appreciate that it would have been very upsetting and frustrating for him.

When someone applies for a DRO, they would see a debt adviser. Mr D says he was merely told that his bank would get in touch with him. I understand that he didn't realise that his

account would be frozen without notice. I understand that it was not so much the freezing of the account that he's complaining about, but the fact that he wasn't given any notice, leading to what happened to him as I've set out in the background above.

I bear in mind that Barclays was not aware of the DRO before the official receiver sent it. The freezing and closing of an account which is not a basic bank account when a customer has a DRO I understand is an automatic process with Barclays. And, given that an email is not a secure method of communication the notification of this is done by post. I know that Mr D expected to be given some warning of this. But in light of the fact that he was moving house even if the account had not been frozen straight away, I think it's unlikely that he would've received such a letter before it was frozen.

Further as he would have been speaking to an adviser with some expertise on the question of debt, I think it would be reasonable for Barclays to expect that he would contact it first and arrange for the basic bank account to be set up. However as he didn't speak to Barclays until late afternoon the adviser wasn't able to help him nor was he able to go into a branch. So I don't think that Barclays acted unreasonably.

As for not being able to carry out a purchase online after setting up the new account, for security reasons the advisers didn't have access to the 3 digit security number. I know that Barclays offered Mr D alternatives like going to a branch to get the cash out or doing a direct transfer to another person's bank account. Unfortunately Mr D says he wasn't in a position to do either of these things. Again I appreciate that was difficult for him but I don't think he was without the means to get money.

In respect of closing the account, having listened to the telephone call on 14 November I understand that Mr D was frustrated and angry. But from what he said to the adviser at the end of the call, I think that Barclays was within its rights to close the account. To be clear a bank can close any account, although with a basic bank account it has to have specific grounds to do so (as our Investigator has advised). And I think that Barclays has reasonably explained why it was closing the account.

With regards to the making of his complaint, I understand that Barclays accepted that the advisers that Mr D spoke to between 14 and 16 November should have raised a complaint. Rather the complaint was raised after receipt of Mr D's emails. But I understand from what he said in the telephone calls that he preferred to raise the complaint by email. And I don't think that it delayed the complaint being dealt with.

I know that the effect of what happened was to put Mr D in great difficulty. However in order to exercise the power I have to award compensation or require Barclays to take action I would have to find that it acted unreasonably or made an error. And as in all the circumstances of this case, I haven't found that it did so then I can't make any award.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 March 2025.

Ray Lawley
Ombudsman