

The complaint

Mr R complains Barclays Bank UK PLC (“Barclays”) closed his account without explanation and that it failed to send him notification appropriately. Mr R adds this meant he couldn’t make sufficient plans to clear his debt with Barclays in time, leading to his credit file being adversely and unfairly impacted.

To put things right, Mr R would like Barclays to explain why it closed his account and for it to remove and adverse markers with credit reference agencies.

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 January 2024, following an internal review, Barclays sent Mr R a letter in which it notified him of its intention to close his account in two months’ time. Mr R says he wasn’t in the UK at the time and didn’t return until the end of March 2024. He adds that he didn’t receive the letter as it wasn’t sent recorded or that it needed to be signed for. Mr R says he realised the account was already closed upon return to the UK and that he had to pay off his overdraft of around £15,000. He says he cleared his credit card of around £12,000 immediately but needed a few months to pay off the overdraft – which he did by July 2024.

Mr R doesn’t think Barclays loading adverse markers against him for the three months for any amount of the overdraft that was overdue is factually correct. He adds the overdraft didn’t have any minimum payment stipulations nor was a payment arrangement put in place.

Unhappy, Mr R complained. Barclays didn’t uphold his complaint. Mr R referred his complaint to this service. It added that the account was closed in line with the notice in March 2024. That Mr R had contacted it in April 2024 to say he’d paid £5,000 off. And that he was advised to set up a plan but as he didn’t know his income figures due to starting a new business, he didn’t go ahead with one. Barclays say Mr R enquired about his credit file being impacted and was told as the account was running in a negative balance it would be impacted.

One of our Investigator’s then looked into Mr R’s complaint. And they recommended it wasn’t upheld. In summary, they found:

- Barclays was entitled to make the decision to close Mr R’s account and did so in line with the terms and conditions.
- Barclays is under no obligation to explain why it closed the account.

Our Investigator asked Mr R to send in his credit report to look into that particular aspect of his complaint. Mr R accepted what our Investigator said about Barclays closing his account but reiterated the missed payments reported on his credit file weren’t a true reflection of his circumstances. Mr R added that being over the limit would’ve been a better reflection than

saying he'd missed payments on his overdraft.

Barclays said that Mr R chose not to set up a payment arrangement as he said he could pay £2,500 a month until settlement. So, Barclays hasn't made an error.

As there was no agreement this 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 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 provided me with information as to why it reviewed Mr R's account activity. Having carefully considered this, I'm satisfied it has done so in line with its obligations.

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 R 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 gave Mr R 62 days' notice. It's also provided me with a detailed explanation and supporting evidence as to why it acted in this way. Having carefully reviewed this, I'm satisfied Barclays acted in line with the terms and conditions of the account in doing so.

I know Mr R would like a detailed explanation, but Barclays is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information I consider should be kept confidential.

That brings me to the crux of Mr R's complaint. That is, that Barclays should have sent the notification to close his account by recorded delivery so he would have to sign that he'd received it. And that Barclays has acted unfairly and unreasonably in applying adverse credit markers against him with credit reference agencies by saying he missed payments as opposed to being over the limit.

Firstly, Barclays is under no obligation to send such a notification of closure by registered or recorded delivery. I also note that it would have made little difference given Mr R says he was away until after the closure. Mr R also says he didn't receive the letter, but I note it was addressed correctly. Nor have I been presented with any persuasive and/or compelling evidence he was having problems with his post. So, to be clear, I don't think Barclays did anything wrong in notifying Mr R of its decision in the way it did. That means I'm satisfied it had done what it needed to do to put him on notice and proceed to close his account in two months' time.

The notice letter also made it clear that the terms of the account say an overdraft is

repayable on demand. And that he would need to call a specific telephone number to make a payment arrangement if he wasn't able to. And if the payment isn't made in full immediately, Barclays may report the unpaid amount to credit reference agencies which may affect Mr R's ability to borrow in the future.

Mr R didn't want to make a payment arrangement but wasn't able to pay off the whole amount immediately. So I don't think Barclays have done anything wrong in reporting the status of the account to the agencies in the way it did. He also argues that it should show as over the limit on the credit files as opposed to missed payments. But Mr R failed to make a full payment in line with the terms of the account before it was closed. So saying payments were missed is accurate. And Barclays is after all under a duty to report accurately to credit reference agencies.

As I don't think Barclays did anything wrong, I see no basis to direct it to amend any filings with credit reference agencies or pay any compensation to Mr R.

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 R to accept or reject my decision before 15 May 2025.

Ketan Nagla
Ombudsman