

The complaint

Mr B complains that Barclays Bank UK plc trading as Barclaycard ('Barclaycard') closed his new credit card account without notice or explanation and communicated poorly with him when he sought their help with this.

Mr B has wider concerns about Barclaycard's accountability and the way they treat their customers, and he'd like this addressed.

Mr B wants Barclaycard to recognise he's been misled and lied to and for them to offer him more compensation for his distress and inconvenience.

What happened

Mr B applied for a new credit card with Barclaycard. He received communication from Barclaycard to suggest he'd been approved for the account, but he only received a PIN number and not the card itself.

Mr B contacted Barclaycard several times to query what was happening and said he was given mixed messages about the existence of the account and whether a card had been sent. Mr B was unhappy to discover his account had been closed by Barclaycard's fraud team and he was upset that reasons weren't given for this.

Mr B complained and Barclaycard offered £50 compensation for the way they'd handled Mr B's calls. Mr B referred his complaint to the Financial Ombudsman Service and Barclaycard made an increased offer of £200. Mr B initially accepted this but on reflection considered that aspects of his complaint hadn't been addressed, such as why Barclaycard hadn't given notice or reasons for closing his account. He thought Barclaycard had been secretive and chaotic and he'd found the experience demoralising and upsetting.

Our investigator said Barclaycard were at liberty to close Mr B's account and didn't need to provide any more reasons for this. He considered Barclaycard's payment of £200 to Mr B fairly recognised Mr B's distress and inconvenience, so he didn't uphold Mr B's complaint.

Mr B felt his complaint hadn't been fully addressed, so the matter came to me to decide.

I sought additional information from Barclaycard, as part of my independent review of Mr B's complaint. I've been provided with call transcripts for some of the calls, but no recordings are available. I thank the parties for their patience while this information has been gathered and considered.

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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I've decided Barclaycard's payment of £200 is a fair outcome to Mr B's complaint, so I won't ask them to do more than this. I'll explain why.

It's clear from Mr B's submissions that he'd like to drive change in terms of Barclaycard's transparency with their customers and their overall accountability. I think it's important to say that my role isn't to punish or fine a business, nor can I direct a business to change their practices or procedures – these are considerations for the Financial Conduct Authority ('FCA') as the regulator.

Mr B is at liberty to contact the FCA as they will review, collate, and sometimes act on information they receive about the firms they regulate. However, Mr B should be aware that the FCA doesn't respond to individual complaints.

Whilst I'll comment generally with regards to what happened, I should clarify that I don't need to make a detailed finding on every aspect of this complaint, as there is already an acceptance that the service Mr B received fell below the standards expected. What I'm looking at is whether Barclaycard's actions, and the stance they've taken, are fair and reasonable in the circumstances of Mr B's complaint.

Mr B says he didn't receive some of Barclaycard's paper communications about his account, and I accept it was confusing for Mr B to only receive his PIN. I'll address Barclaycard's communication about this later on, but I'm satisfied Mr B's account was opened and a card was sent.

I say this because Barclaycard's system notes show Mr B was notified by text message that his new card was on the way on 31 July 2024, and I can see that the card was generated and sent out by post to coincide with this. A PIN was generated and sent on 1 August 2024 and a welcome letter was sent 5 August 2024. It is frustrating not to know what happened here, but I don't hold Barclaycard responsible for items that may have been lost in the post.

I acknowledge Mr B says Barclaycard "unbanked" him because he'd previously complained. I haven't found Mr B's complaints to be the trigger for the account closure. I say this because Barclaycard's account notes evidence that after their initial welcome correspondence was sent, Mr B's account was flagged by their system for a fraud review. This meant a person in the fraud team investigated an issue by cross referencing information that was at hand and took the decision to close Mr B's account.

I agree with our investigator that Barclaycard were entitled to close Mr B's account in these circumstances, under the terms and conditions. These say that Barclaycard would give two months' notice of a closure unless the reason for the closure was related to fraud. And that Barclaycard had the right to prevent use of the account if they were worried there may be fraudulent or unauthorised use of the account. In those circumstances Barclaycard said they'd let customers know this had happened as soon as they could.

Barclaycard notified Mr B on the phone that his account was closed, and said that he'd been sent written confirmation of the account closure on 12 August 2024. I've seen Barclaycard's letter dated 12 September 2024 which confirms the closure, and this is reflected in Mr B's account record. I can't see an explicit reference to a letter dated 12 August 2024 in the records Barclaycard provided. Mr B says he didn't receive any letter about the closure, which adds to his suspicion that Barclaycard weren't honest with him, but on balance I think the letter dated 12 September 2024 was generated and sent.

It's evident from the call transcripts that Mr B tried very hard to understand why his account was closed, but he couldn't get a detailed reason from Barclaycard. I think it is entirely reasonable that Mr B would want this information. I recognise it was very difficult for Mr B not to have the answer he was looking for and it was frustrating to learn that his account was closed for fraud concerns without knowing what triggered that concern, or if the concern was valid.

I would typically only expect a lender to give the headline reason for refusing credit to a customer. I think Barclaycard have given their main reason for withdrawing credit from Mr B here by saying their fraud team acted based on information they received. I acknowledge this is an upsetting response to receive as a consumer. However, I wouldn't expect Barclaycard to divulge more about their fraud detection systems or lending criteria, given this is sensitive information and would undermine their ability to protect their business and their customers from fraud, or potential fraud. I'm sorry not to be able to help Mr B understand this issue as I know it is important to him.

Mr B hasn't pointed to any detriment here aside from the palpable stress and upset this matter has caused him. Mr B's highlighted he spent a long time on the phone getting no closer to understanding the closure. He said Barclaycard's agents treated him poorly when engaging with him, and he said Barclaycard had been unethical and abusive.

I don't doubt that Mr B will likely be frustrated and suspicious that I've only been provided with transcripts for some of the calls, and no call recordings were available. I know this won't give me a full picture of the calls, in particular what Barclaycard said about the card being sent and the account not existing. I know Mr B wanted me to be able to hear the tone of the calls, too. However, as Barclaycard have already acknowledged the calls with Mr B could have been better handled, I don't need to make a finding in respect of this.

Barclaycard have paid £200 in total to Mr B to recognise his distress and inconvenience, so I've considered whether I think this is fair.

I recognise Mr B's said his complaint isn't about him getting more money, rather it's a way of holding Barclaycard to account. I understand where Mr B is coming from, but I must be clear that I don't have the power to fine Barclaycard or issue punitive awards.

I've reviewed the Financial Ombudsman Service's guidelines for compensation for distress and inconvenience - more information about these are on our website. I've also given careful thought to what I understand of the overall impact of this experience on Mr B. I've considered that Mr B would always have been upset to hear his account had been closed, so I've focused on how things were handled when Mr B contacted Barclaycard several times for support and clarity regarding his account.

On balance, I think £200 is slightly higher than I would've typically awarded to Mr B in these circumstances, under the guidelines I follow.

I'm sorry to disappoint Mr B but I think Barclaycard's payment of £200 is a fair outcome to his complaint, and I won't ask Barclaycard to take any further action on this occasion.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 May 2025.

Clare Burgess-Cade
Ombudsman