

The complaint

Mr C complains Barclays Bank UK PLC didn't close a sole trader account he held with them when he instructed it to.

What happened

Mr C explained he wanted to close a business account in 2024. Mr C explained he withdrew the outstanding funds from the account at a cashpoint leaving only £6.51 in the account. Mr C then contacted Barclays through the banking app chat function on the evening of 1 April 2024 and asked it to close this account.

Mr C said he received assurances from Barclays it would close the account. Mr C explained he also sent a complaint notice to Barclays dated 1 May 2024 asking for it to close his account, which Barclays acknowledged.

Mr C said Barclays didn't reply to his complaint and he received a letter in June 2024 telling him his account was £150.81 overdrawn. Mr C expressed surprise at this letter as he thought he had clearly instructed Barclays to close his account, which should have happened on 1 April with a positive balance of £6.51. Mr C thought the overdrawn balance had occurred because of an active standing order, which he assumed would have been cancelled when he closed this account. Mr C also complained the funds for this standing order had gone to an account which had been closed and he had not received this money back.

Mr C said he raised the issue with Barclays in writing, but didn't receive a response, he explained he continued to receive overdrawn notices, with the balance Barclays demanded increasing to £162.90. Mr C said he also received a '*barrage*' of text messages asking him to call Barclays to discuss, but explained he wanted to deal with Barclays exclusively in writing for '*evidence purposes*'.

Mr C said Barclays eventually threatened to close his personal accounts, so he paid the £162.90 under duress to prevent this. Mr C explained he also thought Barclays had '*falsely*' reported the overdrawn activity with credit reference agencies.

Mr C said as a resolution he wanted a full refund of the £162.90, and a total of £550 compensation. He also wanted evidence Barclays had removed or corrected the information it had sent to credit reference agencies regarding this matter.

Barclays partly upheld Mr C's complaint. It accepted Mr C had received some poor service when using the chat function through its app. Barclays initially said the account was overdrawn when Mr C requested the closure due to a standing order being paid to another account business account Mr C had set up with Barclays. This was incorrect, as the account was in credit the day Mr C tried to close it.

Barclays said it wrote to Mr C in mid-April explaining it hadn't been able to close his account because it had become overdrawn the day after he had tried to close it. Barclays said this same standing order went out again in early May 2024, causing the overdrawn balance to increase to £130.99. Barclays maintained it couldn't close the account whilst the balance was in debit. Barclays explained it was Mr C's responsibility to manage his standing orders and there were various channels for him to do this.

Barclays said Mr C paid off the balance of £162.90 in September, a day after a termination notice had been issued, therefore this did not clear the balance. However, the recovery unit dealing with the outstanding balance decided to correct the account to zero and closed the account in early October 2024.

Barclays said it had clearly communicated with Mr C and didn't agree to any compensation. It further said anything it had reported to credit reference agencies had been factual so didn't accept it needed to take any action regarding this.

Our investigator didn't think Barclays needed to take any further action. They said they didn't think Barclays had done anything wrong by not closing Mr C's business account on 1 April 2024. Our investigator explained it isn't unusual for businesses not to close accounts where money is owed.

Mr C rejected our investigator's recommendation. He made a further submission to our service, stating the following in summary:

- He reiterated he had received an acknowledgement in writing from Barclays the account would be closed,
- He had not received two payments made to a closed Barclays account by standing order back, totaling £129.00,
- He was subject to account charges and interest between April and October 2024 totaling £74.46, all of which he maintained should be refunded.
- He was coerced into paying the full outstanding amount of £162.90 under duress, which shouldn't have been necessary as his account should have been closed.
- He maintained Barclays had erroneously reported information to credit reference agencies.
- Mr C said he should receive compensation for the distress and inconvenience Barclays had caused him.

As Mr C rejected our investigator's recommendation his complaint has been passed to me to make a final decision.

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 appreciate how strongly Mr C feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

I am satisfied the issues at hand for the purposes of this complaint, all appear to stem from Mr C instructing Barclays to close the account in questions on the evening of 1 April 2024, and this not happening.

I can see from the evidence provided, Mr C asked for the '*immediate closure*' of his account through the chat function on the Barclays app. I have examined a copy of this chat, during which Barclays passed Mr C to an adviser within the business team who agreed to close Mr C's account without him having to send the request in writing.

However, the chat also shows the adviser recognised there was a positive balance of £6.51 and asked, '*could you please bring down the balance to nil so that I can take the closure*

request right away?'. I also note the adviser repeated this message requiring the balance to be brought down to zero, as they initially advised Mr C he would have to send in a letter to close the account, which the adviser corrected later and apologised. It appears Mr C didn't respond to these two messages requesting he bring the balance down to zero, and the chat apparently ended with this request remaining outstanding.

The next day a payment of £64.50 debited the account by standing order to a different account held by Mr C. I have seen statements supplied by Barclays for both accounts, I am satisfied the beneficiary of this payment was a business account also held by Mr C. I am also satisfied this was a regular payment Mr C would have known about which he likely arranged himself. The account was therefore in debit the following day and as Barclays would not close the account whilst in debit, this account subsequently accrued charges and fees over the coming months.

The evidence therefore shows Barclays asked Mr C to bring the balance down to zero on the evening of 1 April before it could close this account. I am satisfied during this exchange it didn't agree to close his account until this action had been completed, and therefore his account remained open with the payment described above being made the following day.

Barclays has provided evidence from its mobile banking app showing Mr C's accounts were linked in his mobile banking app. Barclays has said this suggests Mr C had the ability to transfer funds and cancel regular payments himself through his app, Barclays has said there wasn't a restriction on Mr C doing this at the time.

I have examined the statement for the account in question. I can see Mr C withdraw three amounts of £300 by ATM between 27 March and 1 April. These withdrawals appear to have been during business hours and occurred within two town centres. The evidence suggests these withdrawals have apparently occurred in or close to Barclays branches. It appears likely to me Mr C was withdrawing funds during this time with an intention to close his account, which he could have done in branch.

I can see Barclays wrote to Mr C on 18 April 2024 first notifying him about the outstanding balance. Barclays explained it had not been able to close Mr C's account, that the account was now in debit, and asked him to contact it to discuss. It also directed Mr C to its online banking and mobile banking app. Further to this, Barclays wrote a series of letters explaining to Mr C the balance was increasing due to interest and fees throughout this period. Barclays has presented evidence of these letters which were apparently sent to the correct address for Mr C.

Mr C said in his complaint letter dated 1 May 2024, *'despite assurances that my request for closure for this account would not require any notice period and be actioned immediately, it appears that unfortunately the account remains open.'*

I am not persuaded this is an entirely accurate representation of the conversation. Barclays said it would help Mr C through the closure proceedings, suggesting some action may be required. It then said *'I will close you're account and you do have to send us a letter'* (later corrected to you do *not* have to send us a letter). The next message explained Mr C had a balance of £6.51 and asked Mr C to reduce the balance to zero so it could close his account on the chat, this could have been done by a transfer at the time.

I am also satisfied Mr C would have known this standing order was due. The evidence I have seen from the statements are this payment was regularly made at the beginning of each month. Mr C decided to withdraw £300 on 1 April and close the account after normal business banking hours that same day using the chat function on the app to send a message asking for the immediate closure of the account, despite being in the vicinity of branches over the previous days. He then didn't respond to the question asked by the adviser so they couldn't close the account or address issues Mr C had. The account then went overdrawn the next day because of a standing order Mr C had previously arranged to a different account he held.

I do think it would be reasonable to expect Mr C to have checked or responded to the messages sent to him. I also note Mr C could have visited a branch during the days before this chat message.

I also agree with our investigator's recommendation that Mr C could have taken action earlier to mitigate the situation that developed. The evidence suggests the funds went to another account held by him, and he became aware in April the account was still open and he needed to take action to repay this balance and close the account.

Whilst I understand Mr C's position, that he thinks Barclays should have immediately closed his account and all associated payment authorities upon his instruction on the evening of 1 April, this didn't leave any time for issues which may have occurred with the closure – as happened. I also consider Mr C could have cancelled the standing order before this date to have ensured this issue didn't occur and had the opportunity to do so.

I am therefore not persuaded Barclays has done anything wrong here or acted unreasonably or unfairly towards Mr C. I therefore do not uphold this complaint.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 July 2025.

Gareth Jones
Ombudsman