

The complaint

Mr and Mrs L complain Barclays Bank UK PLC froze and subsequently closed accounts after they tried to make two payments which Barclays blocked. They also complain Barclays cancelled a Direct Debit. his

What happened

Mr and Mrs L explained they tried to make a payment to a third-party online remittance service which Barclays declined due to possible fraud. Mr and Mrs L said they send the funds again and this time they were successfully received by the third-party remittance service. Mr and Mrs L explained their Barclays accounts were then frozen by Barclays due to possible fraudulent activity.

Mr and Mrs L described having several conversations with Barclays regarding the freezing of their accounts, with Barclays asking for details of what Mr and Mrs L were sending the money for. Mr and Mrs L also explained Barclays arranged for them to be visited by two police officers.

Mr and Mrs L said they didn't think it was any of Barclays' concern what they intended to do with the funds they were attempting these transfers, explaining they had checked the company they were sending the funds to was Financial Conduct Authority (FCA) regulated.

Mr and Mrs L also complained about a Direct Debit to a supermarket they believed Barclays had cancelled in December without their authorisation. Mr L said this had affected his credit rating.

Mr L provided our service with details of his disability explaining this meant he relied on online banking to pay bills and for services to his home. He explained he had struggled to pay for food or medication or pay his rent whilst the account was under investigation by Barclays. Mr and Mrs L said they also had to borrow money from family and get them to shop for food for them.

Barclays wrote a letter to Mr L in February 2025 explaining it had decided to close his accounts with Barclays. It explained his account would close on 9 April 2025 following an internal review. Barclays said it couldn't tell Mr L anything about why it had decided to close his accounts.

Barclays wrote a final response letter to Mr L. It explained it wasn't upholding Mr L's complaint. It explained it was able to ask questions regarding transfers as it had a duty to protect customers from financial crime and such questions were an important part of keeping customers safe.

Barclays said it had reviewed the circumstances which led to it requesting police officers to visit Mr and Mrs L. It said this had been done correctly and was done to protect Mr L as Barclays was worried Mr L might be the victim of a scam.

Barclays also explained Mr L had been able to use his debit card throughout the restrictions,

and Mrs L didn't have any restrictions placed on her so could use all functions of the accounts throughout.

Barclays also confirmed its decision to close Mr L's accounts was the correct one, stating this wasn't a decision it had taken lightly. It clarified the accounts would remain open as sole accounts, but only in Mrs L's name.

Barclays also explained the supermarket direct debit wasn't cancelled by it in December 2024, stating it was '*automatically*' cancelled in February 2025.

Our investigator explained Barclays have a duty to protect customers from fraud and scams, explaining the terms and conditions of Mr and Mrs L's account allowed Barclays to refuse to make payments it reasonably thought might be related to a fraud or a scam. Our investigator provided a timeline of contact and details of the calls with Barclays explaining they were satisfied Barclays were justified in blocking Mr L's accounts after suspecting Mr L may have been the victim of an investment scam.

Our investigator didn't think there was anything unreasonable about the questions Barclays asked of Mr L during the telephone calls about the transactions. They also thought it was reasonable Barclays involved the police, taking into account the full circumstances. Our investigator explained whether to close an account is often a commercial decision banks are entitled to make provided it acted fairly. Our investigator was satisfied Barclays had treated Mr L fairly, as Barclays had said Mr L's banking activity wasn't a risk it was comfortable to continue with.

Mr L responded explaining he had said many times he wouldn't hold Barclays responsible for any loss due to the transfers and investments he was instructing, and maintained it was his was his money to invest how he wished. He explained it was similar to betting on a horse at long odds.

As Mr L has 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 and Mrs L feel about their 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.

The starting position in law is a bank is expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account. However, there are also obligations on banks to detect and prevent certain transactions, therefore Barclays should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams,

- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means there are circumstances where a bank should fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

Banks have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of perfectly normal transactions which are not fraudulent or related to scams.

I can see Barclays detected a payment it was concerned about and contacted Mr L in early 2025. It applied a block to Mr L and the notes on Barclays systems show it needed to speak with Mr L before it would remove the block.

I have listened to the calls Mr L had with Barclays regarding this payment. I can see Mr L was reluctant to provide details of how he discovered the investment company, but did mention he had followed a link on social media after an advert fronted by a celebrity. Mr L explained he recognised this advert may have been generated by artificial intelligence.

However, Mr L claimed he had since completed his own research on the company and was happy to take the risk, accepting he may lose his money. Mr L explained he had had contact with various brokers who were investing his money in a series of commodities, including gold and oil. Mr L explained he had apparently made four times the amount he had invested in a short period of time.

Barclays explained scammers often use celebrities on social media. The adviser explained to Mr L it was likely a scam, pointing out various aspects that suggested this. The adviser also suggested Mr L try and take money out of the investment and see whether he could actually withdraw it and also asked Mr L to consider various articles about scams. Mr L maintained it was his money, and he was happy to take the risk for the possible benefits.

Therefore, Barclays decided not to remove the block on Mr L's account. However, Barclays notes show, during a further call that day, Mr L's card was unblocked so Mr and Mrs L could make essential payments due to their vulnerabilities.

A few days later Mr L transferred over £3,000 to a different international remittance service. This was also flagged by Barclays who again contacted Mr L.

I have listened to these calls, which are known to both parties, but in summary Mr L again asserted it was his right to spend and invest his money how he wished. The previous transfer was discussed, where Mr L remarked he had found a way round Barclays previous concerns and block by transferring funds to a different third-party which was FCA regulated.

Barclays asked questions over a series of telephone calls, with Mr L often refusing to answer them or expressing he was not willing to provide details. Barclays again pointed out concerns about the investments Mr L was trying to make via this third-party remittance service. This included important information about the company Mr L had invested with,

suggesting it wasn't legitimate, explaining what Mr L had described was consistent with how scams are often funded.

Throughout these conversations Mr L was focused on when his account would be unblocked, often threatening to contact senior executives within Barclays. However, Barclays consistently explained it wouldn't be able to unblock his account based on the position Mr L was maintaining.

I have considered carefully these interactions. Having done so, I am satisfied Barclays had Mr and Mrs L's best interests in mind during these conversations and were trying to prevent them being the victim of a scam. I can see, Mr L did express he understood this, but insisted it was his choice, and none of Barclays' concern where he spent his money. He likening the investments to betting on horses where he understood he may lose his money, but was willing to take the risk. Fundamentally, this is the position the two parties disagreed on throughout the interactions.

I can see Barclays allowed Mr and Mrs L access to their account throughout this period, Mrs L had unfettered access, whereas Barclays unblocked Mr L's card for him to make some purchases. I can also see from the statement Mr and Mrs L continued to make regular payments to food shops throughout this period.

In deciding what I think is fair and reasonable, I have to consider the responsibilities on Barclays. Barclays has an important legal and regulatory duty to protect customers. Barclays is therefore fully entitled to ask questions about payments to comply with these duties. It can also block or restrict accounts to comply with these duties. It is also the case, if Barclays is aware or suspected a scam may be occurring, it would arguably not be fulfilling its duties were it to knowingly allow a customer to fall victim to a scam. Moreover, our service regularly deals with complaints from customers who do not think their bank protected them sufficiently when they became victims to scams which have similarities to the circumstances outlined above. Our service does find in favour of the customers and can sometimes hold business liable for the funds lost. Therefore, somewhat regardless of what Mr L has said, he may have arguably had a statutory recourse against Barclays had it not intervened and Mr and Mrs L lost money to a scam.

Having considered these obligations and the evidence, I am satisfied it was not unreasonable of Barclays to have blocked Mr and Mrs L's account and asked further questions about the transaction. Usually such questions would have allayed any concerns Barclays had about a payment, and would have resulted in the accounts being unblocked. However, in this case the answers Mr L gave confirmed Barclays concerns that the flagged transactions may have been for fraudulent purposes.

Broadly speaking, I can see why Barclays thought this and don't find its actions unreasonable or unfair. Mr L had already been advised by Barclays payments to the investment company were likely a scam before, but appeared to disregard Barclays professional concerns and found a different avenue to transfer the funds through to attempt to avoid the block.

Mr L is aware of the various points Barclays made about these transactions, so I won't repeat them here. Having listened to the calls I am satisfied there were enough concerns for Barclays to reasonably suspect a scam was occurring and therefore couldn't unblock Mr L's account.

Moving now to deal with the account closure. A bank's decision to close an account is generally a commercial decision that it is entitled to make provided it is fair and not discriminatory.

Banks should, however, provide reasonable notice the account is to be closed. I can see Barclays gave Mr L over 60 days' notice of the closure of his accounts, this is what our service would expect in the circumstances and is in line with industry standards. I therefore consider this notice reasonable and fair considering all of the circumstances and am satisfied it gave Mr L sufficient time to make arrangements to transfer to another bank. I also note Barclays didn't restrict Mrs L and intended to continue the account in her sole name. I consider this was fair, as Mrs L had not undertaken any activity to suggest she should have also had her accounts closed. I also think this substantially mitigated the effect of the closure of Mr L account.

I can see the letter Barclays wrote to Mr L about the closure didn't contain details of why it had reached its decision. This is also not unusual. Banks do not have to provide reasons, however, I think it is likely on balance the issues regarding Mr L not heeding or responding to the professional safeguarding advice Barclays provided about fraud and scams would have been a significant factor in its decision here. I am also satisfied, from the evidence I have seen and for the reasons above, there is no suggestion Barclays decision was discriminatory and the basis for the decision was fair.

With regards to Barclays asking the police to visit Mr and Mrs L, I can see Barclays were clear during a call it would be asking police officers to visit Mr L to discuss the transactions with him. As our investigator explained, this is not unusual and was a reasonable reaction in the circumstances. So, whilst I was sorry to hear this was upsetting and difficult for Mr and Mrs L, I do not think it was unreasonable and Barclays did forewarn Mr and Mrs L it was going to do this.

Finally, our investigator asked Barclays to provide further evidence the supermarket Direct Debit was not cancelled by it. I appreciate Mr and Mrs L provided a copy of a letter it received from the supermarket stating Barclays had cancelled the Direct Debit.

Barclays has provided evidence the supermarket cancelled the Direct debit, to corroborate this it also provided log details to show no advisers in Barclays had accessed the account during this period to cancel the direct debit. I am therefore satisfied on balance this was not a mistake by Barclays and do not uphold this part of Mr and Mrs L's 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 and Mrs L to accept or reject my decision before 21 May 2025.

Gareth Jones
Ombudsman