

The complaint

Mr B complains Barclays Bank UK PLC (“Barclays”) closed his account without explanation and did so with immediate effect.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I’ve decided to uphold this complaint in part. 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 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 B 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 closed Mr B’s account with immediate effect. When Mr B complained, Barclays said it got this wrong and should’ve given Mr B two months’ notice. Because of this Barclays offered Mr B £150 compensation for any distress and inconvenience this caused. Mr B says this isn’t sufficient and Barclays should pay at least £500.

Barclays has provided me with an explanation and supporting information as to why it acted in this way. Having carefully considered this, I think Barclays should have done more in terms of carrying out further due diligence. Having said that, I am satisfied Barclays had reason enough to close the account but that it should have given Mr B two months’ notice without any restrictions.

So, I think it’s fair Mr B should be paid some compensation for the distress and inconvenience he likely suffered because of this. It’s clear from the information I’ve been given that Mr B didn’t use this account substantively, so it’s highly likely it wasn’t his main account. I note also that there wasn’t a credit balance at the time of closure. Given these factors, I’m satisfied that Barclays’ offer of £150 compensation is fair.

I’m also satisfied that the ATM issue Mr B says he had the day before the closure is unrelated – or at least, not material here. I note too that Mr B has later said he was

misinformed or treated poorly in branch when making a complaint. I haven't seen any evidence of this, nor has Mr B said anything specific here. I also question why it's been raised much later after he'd referred the complaint to this service.

It's possible this relates to Mr B not being given an explanation by Barclays for the closure. 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.

My final decision

For the reasons above, I uphold this complaint in part. I now direct Barclays Bank UK PLC to pay Mr B £150 compensation - if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 October 2025.

Ketan Nagla

Ombudsman