

The complaint

P had a business current account with Barclays that was blocked then closed and a CIFAS marker reported. P says the CIFAS was incorrect but was later removed. Mrs P is unhappy the account was blocked and closed and the impact the CIFAS has had on her, and the business.

What happened

P's accounts were blocked on 1 September 2023, preventing Mrs P from making payments on the account.

Mrs P spoke with Barclays over the phone and was asked some questions regarding an incoming payment that credited the account on 1 September 2023. Mrs P provided the requested information over the phone.

Following the block of the account, Mrs P called Barclays on multiple occasions to try and speed up the account review, and get the account unblocked. During these calls she explained the impact on running the business and the impact on her and her family.

Barclays investigated the information that they had available to them, and made the decision to close the account with immediate effect, and report a CIFAS marker. Based on the evidence that's been provided by Mrs P, this marker was loaded against her as an individual, rather than P, the business.

Following the account closure, Mrs P provided further information and evidence about the payment in question. Relying on this information, Barclays contacted the sender of the payment to ask further questions. Following the response from the sender, Barclays made the decision to remove the CIFAS marker loaded against Mrs P. Whilst it's been removed, it should also be noted that the content of the CIFAS loading has also been disputed. Whilst Barclays agreed to remove the CIFAS loading, it stood by its decision to close the account, so the account remained closed.

Mrs P made a complaint to Barclays quickly after becoming aware of the block. A final response was sent on 19 September 2023 explaining Barclays may place blocks while investigations are undertaken, in this case Barclays hadn't identified any mistake. It's unable to provide information as to the reasons for the blocks. It also explained that it made the decision to close the account on 13 September 2023, and having reviewed that decision, it considered it to be correct. It also explained it couldn't remove the CIFAS marker, without confirmation from the sender of the payment, that they remove the claim they made in relation to the payment.

Unhappy with this response, Mrs P brought the complaint to our service to investigate.

One of our investigators looked at the complaint and didn't uphold it. They found Barclays had treated P fairly when deciding to block and subsequently close the account. It was fair to apply the CIFAS marker based on the evidence and information held at the time, and as soon as it was provided information that changed its position on the CIFAS marker, Barclays

removed it.

Mrs P disagreed, she said there was no real substantiated claim made by the sender of the funds, and the sender had provided communication with Mrs P to explain it never had concerns with the payment. Mrs P believes Barclays should've challenged any claim against the payment that may have been made.

Mrs P says the information added to the CIFAS marker wasn't in relation to this third-party payment that she was being questioned. She says this proves Barclays made the decision based on other considerations without having asked her about the information it included alongside the CIFAS marker.

Mrs P also considered that we hadn't addressed issues relating to the withholding of funds, and the refusal of Barclays to provide information relating to the account closure and CIFAS marker.

Our investigator provided a response to explain that we had received evidence of the claim that Barclays had received from the sender of the funds, and therefore it was in line with Barclays terms and conditions to block and close the account.

Our investigator explained that the CIFAS marker was correctly loaded, whilst the information on the loading was incorrect, this wouldn't have made a difference. And that Barclays are not required to provide further reasons for closing the account or applying the CIFAS marker.

Our investigator also explained that other issues raised are subject to separate complaints so would be considered separately.

Mrs P disagreed with our investigator's further explanation. As there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I said I was planning on not upholding this complaint. For ease of reference, here is what I said:

Provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by my in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mrs P on behalf of P, and Barclays have said before reaching my decision. It's important to note that my decision focuses on Barclays actions in regard to the business bank account block and closure.

CIFAS loading

Our service can't consider every complaint, or complaint issue we receive. The rules for what complaints we can and can't consider are set out by the Financial Conduct Authority ('FCA') in the dispute resolution handbook ('DISP'). Amongst other things, these rules set

out who is an eligible complainant able to bring a complaint. I am bound by the provisions set out in these rules and I can't disregard them.

DISP 2.7.6 sets out that to be an eligible complainant a person must also have a complaint which arises from matters relevant to one of a number of relationships with the respondent business.

This complaint is brought by P, a limited company, in relation to the actions of Barclays on the business current account in P's name. Based on the evidence provided by Mrs P, the CIFAS loading was loaded against her as an individual in her capacity of director of the company. Therefore, Mrs P doesn't have the direct relationship with the financial business, and therefore I can't consider a complaint in relation to the CIFAS recorded against her as an individual.

I would also add, that as part of the complaint, we've been told of the impact that the account blocks and closure has had on both Mrs P, and her family, as well as the impact on P. For the same reasons as above, I wouldn't be able to consider the impact on Mrs P and her family, as individuals as they do not have the direct relationship with Barclays.

Therefore, I won't be considering the merits of the complaint points that relate to the CIFAS loading, and when considering the impact of Barclays actions, I'll only consider the impact on P.

Blocks and account closure

Banks in the UK 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. They sometimes mean banks need to restrict, or in some cases go as far as closing, customers' accounts.

Having reviewed the information that Barclays has told us it's relied upon to restrict the account, I'm satisfied that Barclays were acting in line with its legal and regulatory obligation when doing so. Barclays has received information from a third party about an incoming payment into P's account. Whilst Mrs P has disputed the likelihood of this claim, based on the evidence I've seen I'm satisfied that this information was received by Barclays, and was the basis for Barclays block and review of the account. I'm satisfied that it was reasonable for Barclays to rely on what it was told, and to block the account to carry out an investigation.

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account and doesn't discriminate.

The terms and conditions of the account, which P and Barclays had to comply with, say that it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately or on less notice.

Once Barclays received the information it did from the third party it reached out to P for more information about the payment in question. I'm satisfied that Barclays was entitled to do this, and it was reasonable to rely on the information it had to make a decision.

Having looked at all the information that Barclays considered as part of its investigation, at the time it made the decision to close the account, I'm satisfied it was entitled to do so in the way that it has done.

I appreciate Mrs P has said that she doesn't believe the closure is down to a claim received

from a third party, but I have seen evidence of this claim.

Barclays are not obliged to provide a reason why they carried out a review and ultimately made the decision to close the account. I don't think it was helpful that Barclays reported to CIFAS information about transactions that it only asked P about after it had closed the account. I can understand why Mrs P believes this implies that there were other reasons for the review and closure. What's relevant here, is Barclays statutory obligations allow them to block customers' accounts while they review things and close accounts in certain circumstances. I've reviewed the information that Barclays relied upon to make those decisions, and I'm satisfied it did this fairly.

Following the closure Mrs P has provided Barclays with further information and evidence to support the legitimacy of the payment they received. And on the strength of this information, Barclays contacted the third party to further questions the claim that was made. Barclays received a response to confirm the third party no longer had any concerns with the payment. But by this point in time, Barclays had already closed the account, and given I've said Barclays were fair to do this at the time, I don't think it needs to do anything differently here.

P has said that this matter has caused significant financial losses to the business. I do appreciate that this matter will have caused difficulties. But having looked into what's happened in this particular case, I can see no basis on which I might make an award against Barclays, given that I don't think it failed to properly follow its own procedures when it closed P's account.

So I'm not going to ask Barclays to compensate P for any trouble and upset this may have caused.

As both parties have responded, I will now decide this complaint.

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 reviewed Mrs P's further submissions which I'll address below. Having done so, I have decided not to uphold this complaint for the same reasons as set out in my provisional decision – see above.

CIFAS loading

I note that Mrs P has responded to set out more detail regarding the impact of the CIFAS on her and her business, reinforcing the reasons why she feels Barclays were wrong to add the marker, and explaining how serious the consequences were. Whilst I'm sorry to hear of the impact of the CIFAS marker and I understand the serious implications of such markers, I don't consider the comments to have any bearing on the jurisdiction of the complaint. Before I can consider the merits of the arguments made or any impact, I have to be satisfied the complaint is within our jurisdiction, and for the reasons I've explained above, I don't think it is.

Blocks and account closure

Mrs S has provided further explanation that sets out why she feels Barclays were unfair in closing the account, and an explanation around the account conduct. She also explains that by restricting the account first, and closing the account later caused more loss than closing it immediately, and she'd like to understand what was happening during the review period.

Our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Barclays has treated P fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can understand it would've been frustrating to have the account blocked, and naturally Mrs P would want to know what was being done during the time of the block. Whilst I won't disclose the reasons behind the block and specifically what was being investigated, I have reviewed this information, and I'm satisfied that it was reasonable to block the account and investigate. I've reviewed what was happening at the time the investigation was being carried out, and I'm satisfied the investigation was completed within a reasonable period of time, and following the investigation it was reasonable to close the account in the way Barclays did for the reasons set out above.

Mrs P has asked why certain information wasn't provided by Barclays under GDPR. For any information regarding GDPR, Mrs P should contact the Information Commissioners Office (ICO).

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 18 July 2025.

Simon Yates
Ombudsman