

The complaint

T had a business account with Barclays Bank UK PLC that was closed. T is unhappy that the account was closed, and it wasn't provided a reason for the closure. T says the closure has impacted the running of the business, and caused difficulties repaying a business loan.

Mr L who is a director of T, brings the complaint on behalf of T.

What happened

In October 2023 Barclays wrote to T explaining it had made the decision to close T's accounts. It explained the accounts would be closed in December 2023, the accounts can still be used until then, but T should think about alternative banking arrangements to put in place.

T continued using the account up until it closed, which was in January 2024. T made a complaint to Barclays, unhappy with the closure and explained the stress and loss of business due to the closure, and difficulties keeping up with other financial commitments. Barclays wrote to T explaining that it had completed a review, and T did not meet the banks requirements. It apologised for any inconvenience that the decision caused, and told T it couldn't provide details of the reason for the closure. It also explained that it had sent a direct debit form for T to make arrangements to continue to pay its existing loan from an alternative bank.

T made a further complaint to Barclays, but received a similar response, enclosing the previous response and explaining it cannot go into further details regarding the closure. It again apologised for the impact of its decision.

As T remained unhappy with the outcome, the complaint was brought to our service to investigate. Our investigator looked into the complaint and didn't uphold it. They considered Barclays was entitled to choose who to offer its facilities to, and in this case had done so fairly. They acknowledged the impact the closure would've had, but because it was done in line with regulatory obligations and the terms and conditions, Barclays hadn't made an error.

T disagreed, so the complaint has been passed to me to decide.

I'm aware T has other complaints; this decision will only consider complaint points relating to the closure of the business bank account.

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'm aware that I've summarised the events of the complaint in less detail than the parties and I've done so using my own words. No discourtesy is intended by me 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 T and Barclays has said before reaching my decision.

I would add too, that our rules allow us to receive evidence in confidence. We may treat evidence in confidence from banks for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some information Barclays has provided is information that we considered should be kept confidential.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

That's because Barclays is entitled to close an account with T just as T is entitled to close its account with Barclays. It's generally for banks and financial businesses to decide whether or not they want to provide, or continue to provide, banking facilities to any particular customer.

As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. But before Barclays closes an account, they must do so in a way which is fair, and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Barclays could close T's account by giving at least two months' notice. I've seen the letter Barclays sent to T in October, and it kept the account open slightly longer than two months after giving notice, so I'm satisfied Barclays has complied with this part.

I've next gone on to consider whether Barclays reason for closing the account was fair. Having looked at the information given to me by Barclays, which includes some information I've considered confidential, I'm satisfied Barclays was entitled to close the account in the way in which it has done. Barclays are not obliged to provide T a full explanation why it made the decision to close the account. I can understand why T would want one and consider not having the reason unfair. But I don't think Barclays has done anything wrong in not providing this information. I find Barclays had a legitimate basis for closing T's account and did so fairly and in line with the terms and conditions of the account.

T has said this caused significant problems, in losing business, having difficulties repaying a loan, and opening a new account elsewhere. I do appreciate this matter would've caused some difficulty and I'm sorry to hear of the impact to T. But having looked at 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's failed to properly follow its own procedure when it closed T's account.

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

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 T to accept or reject my decision before 8 August 2025.

Simon Yates
Ombudsman