

The complaint

Ms B complains that Barclays Bank UK PLC (“Barclays”) notified her of its intention and later closed her account. And by doing so, has failed to reasonably consider her circumstances. Ms B is also unhappy about how long Barclays took to release her account balance.

What happened

Ms B was a long-standing customer of Barclays.

Ms B has explained that she owns a property in the UK which she visits. But for several years’, she has lived and worked in Ireland. Ms B has also explained that she is unable to download the Barclays banking app due to issues with storage on her mobile phone. And she says she isn’t the most technically savvy with being able to access her account online. Barclays reviewed the accounts of customer who had a non-UK address linked either as a residential or correspondence address; as part of its commercial strategy to focus on the UK market. As part of this review Barclays identified that Ms B had an address in a European Economic Area (EEA).

Barclays wrote to Ms B on 10 October 2022 and said it had noticed Ms B’s address was in an EEA and said it was no longer willing to provide banking services to customers with addresses in the EEA. The letter told Ms B that to carry on using her accounts she needed to live in the UK and that she needed to update her address. Barclays set out some exceptions that would allow Ms B to keep her accounts dependant on the type of employment and if she was only in the EEA for six months or less.

In the letter Barclays told Ms B that she needed to contact them by 26 April 2023, otherwise it would proceed to close her accounts by 4 May 2023. And that if her account had a credit balance at closure it would move the credit balance to a secure central account until Ms B completed a reclaim process.

On 8 January 2023, Barclays sent Ms B another letter asking her to get in touch about her address and setting out that she needed to get in touch with them to update her address. On 10 January 2023, Ms B called Barclays to update her address. Ms B confirmed that she’d received a letter from Barclays asking her to update her address. During the call Ms B told Barclays that she was back living in the UK and provided her UK address. The advisor told Ms B that he’d updated her address and that *‘it had all been sorted.’*

On 10 April 2023, Barclays wrote to Ms B again asking her to get in touch to update her address. And that it would close her account if she didn’t do so by 4 May 2023.

On 20 April 2023, Ms B called Barclays twice to change her address. During the first the advisor said she’d be able to do this online. Ms B said she wasn’t very technically savvy so might struggle. But she said she would try. During the second call the advisor told Ms B that she’d need to change her address in writing and provided Ms B with a contact address, and what information she needed to include. The advisor told Ms B she needed to do this

because they weren't able to change her address over the phone due to verification limitations. And Ms B not having the Barclays app on her mobile phone.

At the time Ms B in the process of purchasing a property in the UK, she transferred £25,000.00 which was received on 21 April 2023 and £30,000.00 which was received on 2 May 2023 into her Barclays account.

On 25 April 2023, Ms B then wrote to Barclays providing details of her new UK address.

On 28 April 2023, Barclays wrote to Ms B to let her know it had received her letter asking the bank to change her address. Barclays told Ms B that it needed more information from her because the signature on the letter didn't match the one held on record. Barclays told Ms B that she could update her address via its banking app or logging on too online banking. It also said Ms B could attend a branch with her passport and driving licence. And if she still wanted to do things by post she'd need to send certified copies of her identification to Barclays.

On 2 May 2023, Ms B called Barclays after discovering she wasn't able to see her accounts online. During the call she told the advisor that she wondered if it was to do with changing her address, which hadn't been done properly. So, she queried if this had caused a problem with her accounts. The advisor asked Ms B to try and log on whilst she was on the phone to diagnose the issue and verify her. But Ms B couldn't see her account details. And said she hadn't updated her account with her UK mobile number as she was still using her Irish number.

The advisor looked further into things and discovered that Barclays hadn't been able to accept the information Ms B had provided to change her address. And that her address was still set to her Irish address. So, it had restricted her accounts online as part of its closure process until it could verify her identity. The advisor told Ms B that her accounts were due to be closed on 4 May 2023. And unless Ms B could download the banking app on her phone she'd need to go into a branch the next day to prevent her accounts being closed. The advisor said that she'd need to take her passport, debit card and driving licence for identification purpose and that as soon as she did this Barclays would be able to get her back on its online banking system. The advisor told Ms B to visit a branch as soon as possible and before 4 May 2023. Ms B said she'd try and get to a branch.

On 4 May 2023, Barclays closed Ms B's account. The account was closed and funds of £63,441.08 were moved to a secure internal account pending further contact from Ms B. On 13 May 2023, Ms B visited branch to reclaim the funds held in her account before closure. From the information Barclays had given Ms B on 2 May 2023, she provided her passport and debit card. Unfortunately, Barclays rejected this and said it now required certified proof of Ms B's address due to Ms B not attending branch before it closed her account. Ms B posted this to Barclays the following day.

On 6 June 2023 Barclays sent a letter to Ms B and asked her to provide certified documentation to complete the reclaim of funds. A member of staff contacted Ms B and explained she needed to provide the certified proof of her EEA address to complete the reclaim process.

Ms B was unhappy with this. And raised a complaint. Ms B said had done everything that had been asked of her and then had to travel to Belfast to provide Barclays with her certified address. During this time, Ms B said she had received a mortgage offer in principal and that she was going to use the funds from the account, which she'd transferred prior to it being closed, to bid on a property. Ms B said due to you not having access to her account or funds, she lost out on bidding on several properties. Ms B also said she was unsure of the impact

that this will have on whether she can obtain a mortgage and increased costs due to the base rate increase. Ms B said she should be compensated at least £1,000 for Barclays mistakes.

In response to Ms B's complaint Barclays said it hadn't done anything wrong when it had reviewed Ms B's account and wrote to her asking her to update her address. However, after listening to the 10 January 2023 phone call Ms B had with Barclays it accepted that it had incorrectly told Ms B that her address had been updated. Barclays said it could have done more to support Ms B and provided her with poor service. Barclays apologised and offered Ms B £200 compensation. Barclays also confirmed the closure of the account should not have a negative impact on Ms B's credit file and if required it offered to send a letter which she could provide to mortgage lenders to confirm the reason for the account closure was due to the records showing Ms B held a non-UK address.

Ms B remained unhappy and brought her complaint to our service. In summary she said:

- Barclays, besides not changing her address to her UK address, despite assuring her that they had and then messing up further requests, took her money away for months. There was no request for proof of her address during the reclaim process.
- Barclays hadn't managed to change her address (which was the whole problem) from the one they had on her account, and it was where they were currently writing to her at.
- Ms B was told by Barclays that she had to prove her address, by producing evidence at a UK branch to reclaim her account balance. She was in the Republic of Ireland at the time, so had to spend a day travelling to Belfast to prove her address that had never been changed on her account in order that Barclays could put her money into her daughter's account, which would have been quicker than waiting months for her funds.
- The January 2023 address change was completed and confirmed, and it was only some time in February 2023, that she found out Barclays had messed up. It wasn't until April 2023, that she was assured that she could write an old-fashioned paper letter, with all her account details, and the change to her UK address would be completed.
- She volunteered to come into a bank in person several times, and each time she was told that it was okay, they could do it then and there over the phone, or she could do it herself online or could submit a letter.
- On 20 April 2023 she was assured that she could change her address on her account with a penned letter. But this wasn't correct.
- Her mortgage agent said Barclays closing her account would affect things negatively. And she believes this will not have an impact on her ability to get a mortgage in the future. It looks messy. And she lost access to all her money at a time when she had just managed to have a re-mortgage agreed in principle with her unusual circumstances.
- Her energy has been floored by what Barclays have done. Instead of offering on two potential properties she had her eye on last May, she had all her deposit money and her remortgage in principle taken away. Immediately the interest rates went up, her mother was coming to the end of her life and died in November 2023. So, it has not been an easy time.

- She expects far more than £1,000 compensation. No amount could compensate her losing her mortgage offer. She has not received the letter she requested explaining her banking history to potential mortgage suppliers.

One of our investigators looked into Ms B's complaint. In summary the investigator said:

- Barclays had closed the account in line with the terms and conditions which say it can close an account if a customer resides outside of the UK.
- Whilst this had inconvenienced Ms B, Barclays hadn't done anything wrong and had given Ms B six months to make alternative banking arrangements.
- Barclays had done enough to put things right.

Ms B didn't agree with what the investigator said. In summary she said:

- She complied with Barclays requests and changed her address on three separate occasions.
- Barclays took three months to release her closing balance.
- She had to travel to London and Belfast to try and sort things out with Barclays and get access to the money in her account, which she needed for a property purchase. Barclays said it could pay the funds into her daughters UK bank account. Ms B completed the forms so that this could be done. But then Barclays asked her to verify her EEA address
- She was unable to progress a mortgage application to buy a property in the UK and missed out on bidding for properties at auction because Barclays closed her account and didn't release her account balance for three months.
- It may be more difficult or impossible to secure a mortgage with this break in her bank account history. She wants her bank history repaired.
- Barclays has admitted it made mistakes and offered her compensation. But the amount of compensation it has offered doesn't adequately reflect the trouble and upset she has suffered. She wants more compensation for the many hours on phones, computers, letters, talking to ill-informed Barclays employees. She would also like compensation for missing out on that opportune time to remortgage her flat. She wants compensation for the mental-emotional anguish that this has caused her.

Unhappy with the outcome reached by the investigator, Ms B's complaint was referred for an ombudsman's decision. So, the matter came to me to decide. After reviewing all the evidence, I issued a provisional decision in which I said the following:

Provisional Decision

Firstly, I'd like to make clear that this service isn't a regulatory body or Court of law and doesn't operate as such. This means that it isn't within my remit to decide whether Barclays have acted in a non-regulatory way or unlawful way. Our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint.

I also want to make it clear that it is for Barclays to decide on its commercial strategy as to how to run its business. We can't make Barclays change its policies or procedures. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Barclays acted fairly and reasonably when it decided to close Ms B's account.

Account closure

Barclays is entitled to close an account just as a customer can 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.

Having looked through the account terms and conditions I can see that they say:

“If you aren’t eligible for the account, you hold

We can close an account (or stop or restrict a service) if we find out that you aren’t eligible for it. This may include the following.

- *You (or a joint account holder) reside outside the UK or do not have leave to remain in the UK.”*

Barclays wrote to Ms B on 10 October 2022 and gave her just over six months’ notice of its intention to close her account. The letters explained this was because it had decided to no longer offer its products and services to customers who don’t hold a U.K residential address. Barclays had identified that Ms B had an EEA address. Ms B has confirmed that she has lived and worked in Ireland for several years, and that Barclays had her Irish address on record.

Given what the terms say, and Ms B didn’t appear to reside in the U.K, I’m satisfied that Barclays has acted fairly in writing to Ms B and asking her to update her address details. I would expect Barclays to provide sufficient notice so that Ms B had enough time to make alternative arrangements from overseas. I’m satisfied that just over six months was sufficient time for Ms B to do that. And that Barclays explained clearly what Ms B needed to do and the various methods she had to make the changes.

Ms B contacted Barclays on 10 January 2023 to update her address details and provided her UK address. I’ve listened to this call and the advisor told Ms B that they’d updated her address and that everything was ‘sorted.’ So, I don’t think it’s unreasonable that Ms B believed she’d complied with Barclays request. However, Barclays didn’t change Ms B’s address. And sent Ms B another letter in April 2023 asking Ms B to get in touch and change her address.

Ms B called Barclays on 20 April 2023. I’ve listened to this call and during it Ms B told the advisor that she had trouble working out how to change her address online and due to storage issues with her mobile phone didn’t have access to Barclays banking app to change her address. As an alternative the advisor told Ms B that she could change her address by going into a branch or writing a letter. And they gave Ms B the address to use. The advisor didn’t tell Ms B she’d have to include anything with her letter. So, on 25 April 2023, Ms B wrote to Barclays to update her address. I don’t think it’s unreasonable that Ms B believed at this point that she’d complied with Barclays request to update her address before 26 April 2023. Unfortunately, this wasn’t the case.

In response, on 28 April 2023, Barclays wrote to Ms B, informing her that they couldn’t change her address from the information she had provided in the letter, as certified identification was required. This was due to Barclays not having a copy of Ms B’s signature on file. Ms B’s address details therefore remained unchanged. And Barclays began the closure process, which meant Ms B’s access to her online banking was restricted.

Ms B discovered the restriction to her account when she tried to access her online banking on 2 May 2023. Ms B called Barclays and was told that her accounts were going to be closed on 4 May 2023, and that she’d need to go to branch to verify for her address, so that

the accounts wouldn't be closed. Unfortunately, Ms B didn't attend a branch until 13 May 2023, so Barclays closed her account and moved her balance to a holding account, until Ms B completed its reclaim process.

Barclays has accepted it made a mistake in not updating Ms B's address on 10 January 2023. We've asked Barclays what went wrong but it hasn't been able to provide much detail about what went wrong. And why it wasn't able to update Ms B's address details. So, based on this I'm satisfied that Barclays has made an error and in doing so haven't treated Ms B fairly. To put things right Barclays has offered Ms B £200 compensation.

Where a business has made an error, it would generally be expected by this service that the business would take the corrective action necessary to return their customer to the position they should be in, had the error never happened. In this instance, this means Barclays should reopen Ms B's accounts.

Besides corrective action, it would also be generally expected that a business which has made a mistake would look to fairly compensate their affected customer for any trouble and upset that customer might have incurred because of the mistake.

Barclays feel that their offer of £200 compensation, made to Ms B for the time that she had to spend on the telephone resolving this issue, does provide fair compensation to her for the worry and inconvenience she's incurred. But I don't feel that Barclays have fully understood or recognised the impact that their mistake had on Ms B. And because of this I'll be provisionally upholding this complaint in Ms B's favour and instructing Barclays to pay an increased compensation amount of £400 to Ms B.

In arriving at this position, I've considered the impact of these events on Ms B, as she's described them to this service. This impact began from when Ms B discovered in April 2023 that her address hadn't been changed. I have to be fair to both sides and I accept Barclays gave Ms B a number of options how to change her address. And I can't hold Barclays responsible for Ms B not being able to download the Barclays banking app onto her mobile phone – which from looking at all the circumstances of this complaint would have made Ms B's address change much easier to complete.

Ms B chose to write a letter – which she was entitled to do. And which was an option offered by Barclays. Having listened to the call recordings on 20 April 2023, I'm satisfied that Ms B believed sending a letter would lead to Barclays updating her address and her account kept open. Unfortunately, Ms B's letter didn't succeed in its aim. That's because Barclays couldn't accept Ms B's letter due to not having a signature on file. So, Ms B's second attempt at complying with Barclays request failed through no fault of her own.

I accept that Ms B spent several hours on speaking with a number of different Barclays advisors. I also accept that the restrictions Barclays placed on Ms B's account after it commenced the closure process would have been of significant concern to Ms B, given that at the time Ms B was trying to secure a mortgage, and she had transferred more than £50,000 into her account to purchase a property.

I'd also add that Barclays should show reasonable care and flexibility where a customer's situation merits it do more in these circumstances. Ms B had followed the instructions she was given by Barclays advisors when she chose to write a letter. And she'd telephoned Barclays in January 2023 to amend her address – so I think it would have been clear to Barclays that Ms B wasn't ignoring their requests and appeared to be doing all she could (given her technical issues) to stop her account from being closed. So, I think at this point it would have been reasonable for Barclays to have considered suspending its decision to close Ms B's account.

Ms B has argued that Barclays' failure to repeatedly update her UK address resulted in her missing out on purchasing a property in the UK. Ms B has forwarded evidence of her communications with her then mortgage advisor in support of what she's said. I've looked at the screenshots and I can see that it appears Ms B's mortgage in principle wasn't agreed until 20 June 2023, which was six weeks after her account was closed, on 5 May 2023. I can also see that Ms B was able to obtain the offer due to the funds she had available in her Barclays account. So, based on this evidence, I'm not satisfied that Barclays closing Ms B's account led to Ms B not being able to obtain a mortgage. I've also not seen any evidence that Ms B wouldn't be able to obtain a mortgage in the future due to Barclays actions. So, I'm not currently minded to award Ms B any further compensation for this aspect of her complaint. However, I note Barclays has offered to provide Ms B with a letter explaining why it closed her account, which she could use for any future mortgage applications. I think this is a reasonable way to resolve this aspect of her complaint.

Ms B has said that she wants more compensation. I recognise that Barclays should have done better in the first place. But, the fact is, things went wrong, and that impacted on Ms B through no fault of her own. This is not the level of service Ms B would reasonably have expected to receive.

It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Ms B and no-one else, experienced these particular problems. I assure her I'm mindful of that.

In addition, I've taken into account the general framework which this service uses when assessing compensation amounts – details of which are on this service's website. And taking these factors into consideration together, I feel that £400 is a fair compensation amount in this instance.

Reclaim process

Following the closure of Ms B account, Barclays moved her account balance to a central holding account. On 13 May 2023, in order to reclaim her funds Ms B travelled to a branch to reclaim her funds and requested that be paid into her daughter's UK bank account. Barclays accepted that a member of staff should've been aware that in order to complete the reclaim, they would've required a certified proof of address and potentially her unique reference number. As a result, Ms B's reclaim request was rejected by Barclays and Ms B had to make another trip to branch to provide certified proof of her Irish address. And her funds weren't release until 10 July 2023.

Having read what Ms B says and given how long she had tried to recover her funds she has been deprived of her funds for longer than necessary through no fault of her own. I'm persuaded she has been caused some inconvenience. So, Barclays should pay 8% simple interest to Ms B on her account balances from 13 May 2023 until the date the funds were returned to Ms B. It should also pay Ms B an additional £100 compensation.

For the reason I've explained my provisional decision is that I uphold this complaint. To put things right I intend to direct Barclays Bank UK PLC should do the following:

- Reopen Ms B's accounts (subject to eligibility criteria being met)
- Pay Ms B a total of £500 compensation for the trouble and upset this matter has caused her.
- Pay 8% simple interest per annum on Ms B's account balances from 13 May 2023 until the funds were returned to Ms B.

- Provide Ms B with a letter explaining why it closed her accounts in order that Ms B can use this for if needed for any financial products

Both Ms B and Barclays said they agreed with my provisional decision. And provided some further comments.

Barclays wanted to highlight that Ms B will have to complete a Know Your Customer process it said it does not have up to date records and to comply with its Know Your Customer obligations, so it we may need Ms B to re-apply due to the time since the previous account was closed.

In summary Ms B said:

- She did everything she could to provide Barclays with the information they requested. And followed their instructions to the letter.
- She asked Barclays to provide a letter about the closure of her accounts, it wasn't something that Barclays had suggested.
- She lost out on a mortgage deal that was tailor made for her circumstances at the time.
- She spent considerable time and effort travelling to two different bank branches to provide paperwork so that she could get her funds released.
- She thinks the compensation is a pittance under the circumstances but accepts this.

Now both sides have had an opportunity to comment I can go ahead and issue my 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.

As neither party has provided anything new for me to consider, I see no reason to depart from my provisional findings. I remain of the view that this complaint should be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. To put things right Barclays Bank UK PLC should do the following:

- If Ms B requests, reopen Ms B's accounts (subject to eligibility criteria being met)
- Pay Ms B a total of £500 compensation for the trouble and upset this matter has caused her.
- Pay 8% simple interest per annum on Ms B's account balances from 13 May 2023 until the funds were returned to Ms B.
- Provide Ms B with a letter explaining why it closed her accounts in order that Ms B can use this if needed for any future financial products or services applications.

*If Barclays Bank UK PLC considers that it's required by HM Revenue & Customs to deduct tax from that interest, it should tell Ms B how much it's taken off. It should also give Ms B a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 15 July 2025.

Sharon Kerrison
Ombudsman