

The complaint

Ms W complains Barclays Bank UK PLC (“Barclays”) closed her account; failed to communicate and notify her properly about the closure; failed to add her partner as a joint account holder which exacerbated the problems she faced with poor communication; and sent letters to a UK address she had informed Barclays she wasn’t any longer a resident of.

Ms W says Barclays’ actions have caused her significant distress, inconvenience and financial loss through being deprived of the funds.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Ms W, and her partner who I will now refer to as “Mr M”, moved abroad some time ago. Ms W says that Mr M was added onto her bank accounts with Barclays as a joint account holder whilst they lived in the UK.

Barclays closed Ms W’s account in September 2023. Ms W says she wasn’t notified by Barclays about this and so was shocked to learn the account had been closed when attempting to access it. Ms W says when she discovered this through several calls with Barclays, she was told the account had been closed due to a policy change following Brexit. Ms W says she was told by Barclays’ staff that the letter of notice had been sent to her London address – a property Ms W had rented out to tenants when moving abroad. And as the account had been closed, Ms W would need to follow the reclaims process on its internet portal.

Ms W says that the process was completed in September 2023, but she was told the form hadn’t been registered and other people were experiencing similar issues. Ms W says that Mr M was then told he wasn’t an account holder. So, she had to do it again in November 2023 at which point the funds were transferred to her nominated account. Ms W says because of this, she was deprived of access to around £11,000 for 10 weeks. Ms W adds that she would have invested the money elsewhere but for this delay.

Ms W says she defaulted on her service charges, had to move payments to other accounts which was difficult as she lived abroad. Ms W says she had to make many calls at inconvenient times due to the time difference of where she lived, and at her own expense.

Unhappy, Ms W complained. Barclays didn’t uphold Ms W’s complaint. In summary, Barclays made the following key points:

- Barclays reviewed the services it offered following the UK leaving the EU in 2020. As Ms W doesn’t live in the UK, Barclays closed her account
- Barclays has recorded Ms W’s feedback given the problems she has had in retrieving her funds
- The funds will be transferred to Ms W’s nominated account

Ms W referred her complaint to this service. One of our Investigator's looked into Ms W's complaint, and in doing so, asked both parties for more information. I'll summarise some of the key responses here:

Barclays

- A notice of closure and follow up reminders were sent to Ms W in February 2023, May 2023 and August 2023. And as Ms W's communication preference was set to 'paperless', they would have been sent and received through Ms W's Barclays' online banking or mobile banking platforms.
- No physical letters were sent to Ms W and were only uploaded to the online platforms – and an email would've been sent to Ms W informing her an important document has been uploaded.
- There's no evidence on its systems that Ms W had submitted her reclaim form in September 2023. So, Barclays said it had made no errors.
- Records show Ms W's debit card was sent to her 'correspondence' address overseas
- Barclays can't confirm why a reclaim request wasn't received in September 2023 as it can't go that far back on the systems.

Ms W

- She was unable to access her mobile banking app once outside the UK as it only accepted a UK phone number. So, Ms W wouldn't have received any notifications by mobile banking.
- Ms W understood paperless to only relate to accessing her statements and not for cancelling her account. Barclays would however send email notifications to alert her to when a statement was uploaded and would specify when there was something specific to read. On those occasions of specificity or urgency, Ms W would log onto the online banking website to review.
- Ms W doesn't have any email notifications of correspondence to read for the dates Barclays has said it sent the closure letters – but only to do with statements.
- The paperless preference didn't stop Barclays from posting documents to Ms W's overseas residential address. Barclays had previously sent letters to Ms W overseas, so she questions why it didn't do so for such important an issue.
- Ms W was informed the closure notices were sent to the London address by Barclays' staff over the phone on multiple occasions. And it was clear Ms W's address wasn't correctly recorded on Barclays' systems as she failed telephone security because of this. Ms W was also informed a new bank card had been sent to her old London address.
- Ms W sent a screenshot to show a reclaim form had been submitted, and she didn't receive an email confirmation of this. Ms W followed up with a phone call on 19 October 2023 but was told there wasn't any information yet, and to contact again at the end of the month. Ms W received a call on 24 October 2023 from Barclays and was informed the claim wouldn't be processed as Mr M wasn't an account holder – which was challenged and escalated.
- In the end, Ms W submitted the reclaim form in November 2023 via the online portal due to Barclays' claim Mr M wasn't an account holder.

Our Investigator recommended that Ms W's complaint was upheld in part. In summary, their key findings were:

- Barclays closed the account in line with its terms and conditions, with correspondence sent in accordance with the communication preferences.
- Barclays caused undue delay in forwarding the requested reclaimed funds, as Ms W

has sent in evidence she initiated it in September 2023. So, Barclays should pay Ms W 8% interest from 15 days after the reclaim form submission - 13 October 2023 - until she received her funds. And that Barclays should pay £100 compensation for the inconvenience this caused Ms W.

Ms W agreed with what our Investigator said. Barclays did not.

Barclays said that after reaching out to its Reclaims Team, the first submission was rejected because it was submitted by Mr M – and he wasn't an account holder. To support this Barclays sent a screenshot of its internal systems that show Ms W was the sole account holder at least from June 2021. The Reclaims Team then sent Ms W a letter about this after which she submitted the reclaim form in November 2023.

Our Investigator looked further into Mr M's status and whether he was an account holder, or an additional cardholder given Ms W had shown he had a debit card for the account issued in July 2020. Barclays sent information it said shows Mr M did have several cards on the account – but that it isn't able to locate any documents requesting he be added as an account holder despite going back as far as 2014 on its systems.

Our Investigator then looked at things again and recommended that Ms W's complaint wasn't upheld. In short, their key findings were:

- Ms W's communication preference was 'paperless', and Barclays sent the account closure letters online. Ms W did have access to online banking up to the closure date in September 2023. So, letters and reminders were sent, and Barclays can't be held liable as it had provided enough notice
- Mr M, as an additional cardholder, made the initial reclaim submission in September 2023. But an additional cardholder isn't the same thing as a joint account holder. Because of this, Barclays requested certified copies of his ID, address, and power of attorney documents to release the funds to Mr M. Ms W then made the reclaim request herself as she was the sole account holder. So, Barclays can't be held liable for this delay in returning the funds as it didn't do anything wrong.

Ms W didn't agree with what our Investigator had said when changing their recommended outcome. In summary, the key points she made were:

- Ms W has provided several examples where Barclays' staff didn't provide information in a sufficient or clear way to her to ensure she was able to retrieve her funds in a timely manner.
- Mr M was sent a letter – as attached by Ms W – addressed to him and referring to his account statement dated September 2023. Ms W and Mr M acted in good faith based on Barclays' communications in which Mr M was treated as an account holder.
- When they first contacted Barclays, it made no reference to Mr M being an additional cardholder and it continued to provide him with information as though he was an account holder.
- Ms W questions why Barclays initially said it had no information about a reclaim submission but later said it did – and what this says about how Barclays is treating her information in this complaint.
- Ms W received no notifications of the account closure, and no evidence has been presented of this. Barclays always contacted Ms W via email to inform her of a statement or letter – but no satisfactory response has been given why Barclays didn't do this for the closure notices. Barclays demonstrated it could've sent letters to Ms W abroad as it had done so for other matters. So Ms W questions why Barclays didn't attach enough importance to her closure communications.
- Because of this Ms W questions Barclays' motives and whether it benefitted from

- holding Ms W's funds.
- Ms W's complaint is based on the inconsistent communications she received from Barclays which caused confusion, delay and unnecessary stress.

To support her position, Ms W sent in the following documents:

- A statement addressed to Mr M at their overseas address dated September 2023
- A statement addressed to Ms W at the London address dated June 2023
- A letter addressed to Ms W at her overseas residential address dated November 2022 about updating her tax status

As there was no agreement, this complaint was then passed to me to decide. I then asked Barclays for more information. I will set out the key points from Barclays' response here:

- Barclays sent a screenshot for me to review which it says shows one closure letter dated August 2023 was sent electronically to Ms W. Barclays say all of Ms W's banking documents would have been uploaded to her online banking or mobile banking platforms. There is no evidence of the notifications because the account was closed in 2023.
- As the account was closed in 2023, Barclays can't locate any alerts or messages that would have been sent to Ms W.
- It's very unlikely correspondence would have been sent to Ms W's London address as the account closure letters were addressed to her overseas residence. It appears Ms W was incorrectly informed about this by Barclays' staff.
- Barclays is unable to find any document advising it to add Mr M as an additional account holder. The appropriate team handling such processes have been contacted, and they are unable to trace any information past 2017. But a separate customer number was located for Mr M which suggest he must have filled out an application, but Barclays didn't correctly add him to the account.

I then sent both parties my provisional decision, in which I said I was planning on upholding the complaint in part. 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.

Having done so, I am planning on upholding this complaint in part. I'll explain why.

Account closure

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 Ms W had to comply with, say that it could close the account by giving her at least two months' notice. Barclays sent notification of its intention to close the account in February 2023 and effectively gave six months' notice. I will deal with the communication of the closure later in my decision, but at this point I'm satisfied that Barclays was acting in line with the terms and conditions of the account when deciding to close it. And its reasons for doing so were a legitimate exercise of its commercial discretion.

Communication of closure

This is clearly the crux issue in this complaint. Ms W strongly feels that Barclays failed to fairly communicate that it had decided to close her accounts – and was likely sending correspondence to an address she used to live at in the UK and which had put on rent when moving abroad. Ms W has also said the mere prospect of important account related correspondence being sent to her tenants caused her distress.

Barclays say that any correspondence wouldn't have been posted given Ms W's communication preference as paperless – and as the letters were all addressed overseas.

But that isn't strictly true. I've already referenced above that some letters/statements had the UK address on them, and others had the overseas one. However, there isn't clear evidence that any correspondence was physically sent to the London address, nor that Ms W suffered any detriment had that been the case. But I can't rule out that it was a possibility particularly as physical letters were being sent – given Ms W was receiving letters overseas as she has evidenced.

I would add to that the call transcripts I've been sent show Ms W was told correspondence was being sent to the London address. That would no doubt have led to the belief and created the context for which Ms W felt alarmed and thereby distressed. Barclays say the letters weren't sent in this way and its staff made an error in saying that was the case. Like I've said, I don't have definitive evidence that letters were sent to London, but that it is a possibility given what evidence I do have. But what I can make a finding on is that Barclays' staff, at the very least, made an error which led to Ms W getting distressed. A situation no doubt exacerbated by her living overseas and not being able to resolve the matter herself.

The other point Ms W makes is that Barclays failed to send any notification by email that a letter about her account being closed has been uploaded to her online banking portal – in the same way it does for her statements.

This is a finely balanced point. I say that because on one hand Ms W had opted for paperless communication, which means that there's some onus on her to have checked Barclays' online portal for any correspondence. I note she couldn't use mobile banking – but that isn't a significant point here given she could access online banking.

Barclays hasn't been able to show that it did notify Ms W by email of the closure letters being uploaded to her online banking. But banks often don't expressly set out the nature of the correspondence its uploaded in this way to avoid their customers potentially falling prey to fraud or scams. Nor am I aware of any obligation in which Barclays should have notified Ms W. However, I can accept, in the circumstances of this complaint, that Barclays previous behaviour in notifying Ms W would've led to her forming an expectation and shaped her own behaviour based on Barclays' previous methodologies of communication.

So given that, and the inconsistent and poor communication I have seen, I think Barclays could've done more to make Ms W aware of her account being closed. Had Ms W been made better aware its likely she would have reclaimed her funds whilst the account was still open around the first time Barclays set out to inform her of its decision.

However, given Ms W only attempted to access her account in September 2023, when it was closed, I'm persuaded she hasn't been deprived of the use of those funds in the way she says for investment opportunity. But it's at that point in September 2023, she would likely have moved the funds for investment - and so has been deprived of their use from then. Because of that, Barclays should pay her 8% simple annual interest from that point until settlement.

Communication and customer service – reclaim process

Barclays accept that it failed to add Mr M as a joint account. That means had it have done so, the reclaim would've been similarly processed correctly in September 2023 and Ms W would likely have had access to her funds around 15 days after submission. As Barclays got this wrong, it also led to further complications including several calls inconveniencing Ms W at what would have been unsociable hours for her overseas. So, this is something I need to carefully consider when awarding any compensation for the distress and inconvenience caused to Ms W.

I will also need to consider that being told Mr M isn't an account holder, when he should have been, has caused some distress and inconvenience to Ms W. As the account has been closed, I will of course not be expecting Barclays to add Mr M. And it's for that reason why I only reference Ms W as the eligible complainant in my decision.

Putting things right

Before reaching my final decision, both parties – as referenced above – have a further opportunity to send me further arguments and evidence to consider. But as things stand, I am planning on directing Barclays to:

- *Pay £400 compensation for the distress and inconvenience its failings have caused Ms W*
- *Pay 8% simple annual interest* on the funds it held from 9 September 2023 until settlement.*

Please note I have said the 9 September 2023, as that represents the first day after the closure of the account as I don't have definitive evidence of when Ms W first attempted to contact Barclays when discovering the account had closed in September 2023.

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

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.

Both Ms W and Barclays have responded and accepted what I said I was planning on deciding in my provisional decision. So, to be clear my final decision is to uphold this complaint in part for the reasons in my provisional decision – as above.

Barclays has asked that to proceed with the settlement - subject to Ms W accepting this decision - it will require her beneficiary bank details for payment of compensation to be made.

Putting things right

To put things right, Barclays must:

- **Pay £400 compensation for the distress and inconvenience its failings have caused Ms W**
- **Pay 8% simple annual interest* on the funds it held from 9 September 2023 until settlement.**

*** If Barclays considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms W how much it's taken off. It should also give Ms W a tax deduction**

certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I have decided to uphold this complaint in part. I now direct Barclays Bank UK PLC to put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 24 July 2025.

Ketan Nagla
Ombudsman