

The complaint

Mr A complains Barclays Bank UK PLC unfairly blocked and closed his account without notice. Mr A says this resulted in an adverse recording on his credit file.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr A held accounts with Barclays, and in December 2024 Barclays restricted the accounts whilst it carried out a review. Barclays also removed funds from Mr A's accounts whilst this review was conducted.

Following this review Barclays issued a notice to close on 8 January 2025, and the accounts closed on 11 March 2025. This letter explained Mr A would need to make alternative arrangements, but that he could use the account as normal until this date.

Mr A raised a formal complaint about Barclays' decision to close his accounts in this manner. Mr A also explained a direct debit from his account had failed, which had resulted in adverse credit information being recorded against him. Mr A said Barclays' actions had a significant impact on him, and it ought to provide him with reasons for the actions it took and compensation for the distress caused to him.

Barclays issued a final response letter on 14 March 2025. In its response Barclays said it provided Mr A with the necessary notice period for the closure of the accounts, and its records didn't show that there was a failed direct debit.

Unhappy with this response Mr A referred his complaint to this service. An Investigator reviewed the complaint, and in summary, made the following findings:

- Barclays carried out the account review in line with its legal and regulatory obligations. It also doesn't have to provide Mr A with specific reasons for the action it took.
- The account was closed in line with the account terms and conditions.
- During December 2024 a direct debit went unpaid, but any adverse information about this has been removed from Mr A's credit file.

Mr A remained unhappy and maintained that he had been treated unfairly. The case has been referred to me – an ombudsman – for a 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.

I appreciate Mr A was disappointed by the investigator's opinion. I'd like to reassure Mr A that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it

on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

As a UK financial business, Barclays is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and given me information to show why it reviewed Mr A's accounts. Having carefully considered this, I'm satisfied Barclays took these actions in line with the obligations it must adhere to. The terms and conditions of Mr A's accounts also allow Barclays to block them in specific circumstances. I understand Mr A's frustration with the blocks, and I don't doubt it would've had a detrimental impact on him, especially as he appears to have used the current account regularly. Mr A also says he was abroad at the time which left him financially stranded. I appreciate this would've been distressing for Mr A, but I consider the blocks to be necessary to ensure Barclays was able to comply with its regulatory requirements.

Barclays' review of Mr A's accounts led to its ultimate decision to close the account. I understand Mr A feels this decision was unfair. Mr A says he is a longstanding and loyal customer, but this isn't a factor I think Barclays can reasonably take into account when making its overall decision. Ultimately, Barclays is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, and they must treat new and existing customers fairly. Given its regulatory and legal obligations, I'm satisfied Barclays' decision was made fairly.

The terms and conditions of Mr A's accounts set out that the bank can close the accounts immediately. In this case Barclays blocked Mr A's accounts, so I consider this to be akin to an immediate closure. For Barclays to act fairly here they needed to meet the criteria to apply their terms for immediate closure. In my view, I consider the evidence Barclays held to be sufficient for it to close Mr A's accounts in this way.

Mr A has provided details of the impact Barclays' decision to block and close the account had. A key issue for Mr A is the impact on his credit file, as a direct debit was missed in December 2024 and January 2025. I can see Mr A was in touch with Barclays about funds in his account as he wanted to ensure paid. Unfortunately, despite Mr A's efforts the direct debits failed. I do think Barclays should've been clearer at this point with Mr A about what his options were and the status of his account. However, I am also mindful that Mr A has raised a separate complaint about this issue, and the adverse information that was recorded against him has now been removed from his credit file. So, whilst I appreciate this matter caused Mr A distress at what was already a difficult time, I consider Barclays' decision to block and close the account appropriate, and I don't think Barclays ought to compensate Mr A for the issues he has outlined.

I'm sorry this isn't the outcome Mr A hoped for, and I know he will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Barclays to take any further action or compensate Mr A.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 January 2026.

Chandni Green
Ombudsman