

The complaint

Mr S complains Barclays Bank PLC took too long to release his closing balance back to him. To put things right Mr S wants Barclays to pay him compensation.

Mr S is being represented by Mr K in bringing his complaint to our service.

What happened

Mr S had an account with Barclays, which he opened in September 2023.

In January 2024, just under £40,000 was paid into Mr S's account. To comply with its legal and regulatory obligations Barclays decided to review Mr S's account and asked him to provide proof of his entitlement to the funds.

In response, Mr S told Barclays that he'd sold a car for just over £64,000 to a car dealer, which I will refer to as W, in September 2023 and the money paid into his account was the proceeds of the car sale. Mr S said the money from the sale had been paid into another bank account he had, but that account had been closed by the bank. And he'd asked that bank to transfer the money to his Barclays account. He provided Barclays with a handwritten invoice and screenshot of the bank transfer from W to show he was entitled to the funds.

Barclays reviewed everything Mr S provided and didn't think it was good enough to show that he was entitled to the money. So, it asked Mr S to provide a headed invoice from W and a statement from his bank account that had been closed. Mr S didn't provide anything and told Barclays that the sale was informal so he couldn't provide anything on headed paper.

Barclays decided to close Mr S's account immediately and wrote to Mr S on 27 January 2024 and told him to make alternative banking arrangements. Barclays also told Mr S that in order to claim the money in his account he'd need to provide proof of ownership of the funds.

Mr S raised a complaint with Barclays. Barclays issued a final response letter on 25 April 2024, which said it should have given Mr S more notice when it closed his account. Barclays also reiterated that if Mr S wanted his funds released he needed to provide evidence that he was entitled to the money. And it wouldn't release the funds until Mr S was able to show the money belonged to him.

In July 2025, Barclays let Mr S know that it was willing to release his closing balance back to him.

Mr S complained and said that he'd been without his money for eighteen months and Barclays had no right to hold onto his money for as long as it had done. So, Mr S brought his complaint to our service where one of our investigators looked into what had happened.

The investigator asked Mr S for some more information about his ownership of the car he said he had sold to W. But Mr S said he couldn't provide anything to show he'd owned the car as he had given all the paperwork to W at the time he sold the car.

The investigator reviewed everything. She said Barclays were entitled to review Mr S's account and withhold his account balance to comply with its legal and regulatory obligations. After looking at all the information she thought Barclays had taken a long time to complete its review and release Mr S's money, but based on all the circumstances of the complaint and the evidence that Barclays had shared with us in confidence she didn't recommend Barclays should do anything further to resolve Mr S's complaint

Mr S disagreed. In summary, he said that Barclays had taken far too long to release his money. And he hadn't provided any new information to Barclays, so he can't understand why Barclays hadn't released his funds sooner.

As no agreement could be reached Mr S's complaint has come to me to decide.

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.

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I would add too that 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 Mr S fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very 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 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. But I have read all Mr S's submissions.

I want to make it clear that I understand why what happened concerned Mr S. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his funds had been blocked. But as the investigator has already explained, Barclays has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. Sometimes that means Barclays need to review accounts and ask a customer to provide information about how they are using their accounts and their entitlement to the funds in them – which is what happened here.

I've considered the basis for Barclays's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Barclays acted fairly by reviewing Mr S's account. I appreciate that Mr S wants to know more about why Barclays

did what it did. But Barclays isn't obliged to tell Mr S why it reviewed his account, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

The terms and conditions of Mr S's accounts also make provision for Barclays to review an account and withhold funds. And having looked at all the evidence, I'm satisfied that Barclays have acted in line with these when it withheld the money that was paid into Mr S' account.

Mr S has said that Barclays took far too long to release the money in his account. And he wants compensation for the trouble and upset he's suffered because of not being able to use the funds. So, I've looked at the information Barclays provided about what it was doing as part of its review process. Having done so I'm not satisfied that Barclays has provided sufficient evidence to show it couldn't have completed the process earlier. And released Mr S's balance sooner. But it doesn't follow that I must award Mr S compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr S's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Mr S has said and the content of Barclays's review, which includes the information Barclays has provided to our service in confidence, and what Mr S has said about his entitlement to the funds, I don't find awarding Mr S compensation would be fair or appropriate. I understand Mr S would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr S. And the description of that information is that it's of a nature which justifies Barclays review, and which has led me to decide that awarding Mr S compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Barclays to compensate Mr S for any trouble and upset he may have experienced because of the time taken for Barclays to carry out its review, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in his account, including his unhappiness with Barclays's communication and the information it didn't provide him.

In summary, I recognise how strongly Mr S feels about his complaint, so I realise he will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling Barclays to do anything more to resolve Mr S's complaint.

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 Mr S to accept or reject my decision before 7 January 2026.

Sharon Kerrison
Ombudsman