

The complaint

Mr P complains about how Barclays Bank UK PLC dealt with a US Dollar Currency Deposit Account.

What happened

In September 2015 Mr P opened a US Dollar Currency Deposit Account with Barclays. The interest rate at the time he opened the account was 0.35%. In April 2020, Barclays notified Mr P that the interest rate on the account would be reduced to 0% due to a reduction in the US Dollar Base Rate, with a link to details of the Federal Funds Rate.

Mr P says he made several calls between then and 2024 enquiring whether he was going to earn interest, but says he was told that the situation with the market meant it was unlikely. In February 2024, Barclays wrote to Mr P to explain that he hadn't made any transactions for some time and still held a balance in it. Later in 2024 he made further enquiries about the account, only to discover that this type of account hadn't been available to new customers from July 2020.

Mr P felt that he had been misled into taking out this account by how Barclays had managed it, so he complained. Barclays explained that it had sent letters and statements to Mr P confirming the interest rate and when it had reduced the rate to 0.00%, so it didn't think it had acted incorrectly.

Mr P brought his complaint to this service where one of our investigators looked into it. They found that the terms of the account were clear that the account had a variable rate and didn't directly track any particular external rate (such as the US Federal Funds rate). They found that Barclays had clearly communicated the details of the interest rate that applied to the account and had fairly told Mr P when the rate was reduced. They also found that Barclays had acted fairly in suggesting it would make his account dormant in the circumstances.

Mr P disagreed, saying that he felt Barclays had deceived him, as it had made a strategic decision to discontinue accounts like this but failed to tell its staff or customers. He felt that Barclays had told him (and other customers) that the interest would return when the market changes, but in reality had made a decision to stop providing these accounts and had reduced interest rates to zero. The complaint was passed to an ombudsman 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.

As a financial business, Barclays is entitled to decide what services and accounts it offers to its customers. It's not for this service to tell it otherwise. So when Barclays decided to stop offering US Dollar Currency Deposit Accounts like the one Mr P has to new customers, that was a decision it was entitled to make. Mr P has some wider concerns about how Barclays has administered this account and on the impact on other customers, but in line with my role - what I've considered is what's fair and reasonable in all the circumstances of his individual

complaint.

The terms of the US Dollar Currency Deposit Account explain that:

Yes, rates are variable. We can increase or decrease the interest rates for any of the reasons set out in 'Barclays and you, Terms and conditions for personal customers'. For more details on when we may change the interest rates and the notice that we'll give you, please see our 'Barclays and you' booklet which can be obtained from any branch or viewed online at [barclays.co.uk/rca](https://www.barclays.co.uk/rca).

I think this makes clear that the rate on this product can increase or decrease. Additionally, I've seen the letter that Barclays sent Mr P on 16 April 2020 which made clear that the rate on his account was reducing and explained why that was. That letter was clear and Mr P evidently received it, as he has provided it to this service.

After this the account continued with a 0% interest rate – in line with this letter. Mr P says that he contacted Barclays after this to see if there was a chance of the interest being paid but was only told that the wider situation with the markets meant it was unlikely.

Mr P says that because Barclays withdrew the product from wider sale, shortly after it reduced the interest rate in July 2020, then it (and the members of staff he spoke to) should have told him this, rather than saying that the account wasn't *currently* earning interest – and so implicitly suggesting it may do in future. I can see Mr P's point, in that this means that it was unlikely that Barclays would pay interest on the account. In effect he had a variable rate account that was unlikely to actually vary – even when market conditions changed.

When I consider the situation here overall though, Mr P was provided with an account that was described as one with a variable rate. Barclays varied that rate, as it was entitled to and told him it had done that. It then confirmed that this rate remained in place with regular statements. When Mr P contacted it, Barclays told him that the rate was unlikely to increase – which was ultimately correct.

Just because Barclays was no longer offering this account to new customers, it didn't mean that the existing terms and conditions ceased to apply. I realise that the rate on this account didn't vary even when market conditions changed – but this account didn't track any rate and Barclays was under no obligation to vary it, as the terms explained.

This was all enough to make Mr P aware that if he wanted to earn interest on his money, then he needed to take action to move his funds elsewhere rather than take the risk of keeping his money in this account. In my view, Mr P's decision to keep his money in this account with the hope and expectation it may earn interest at some point was just that - his decision; it's not something I think it'd be fair to hold Barclays liable for, given its communication with him.

I'd add that in respect of making his account dormant – I'm satisfied that Barclays acted fairly and reasonably here too. It notified Mr P of this in February 2024 and explained why it might take this action and what he could do to avoid this. Mr P has questioned why Barclays told him it intended to make his account dormant when the account looked to still be available on its web site. But the letter it sent was clear that it sent this because he hadn't used the account in some time and there was a balance remaining in it - so it was based on his individual circumstances. Barclays was following a standard procedure here and I'm satisfied it did so fairly and reasonably in the circumstances.

My final decision

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 P to accept or reject my decision before 26 September 2025.

James Staples
Ombudsman