

The complaint

Mrs P complains that Barclays Bank UK PLC closed her personal bank account giving one days' notice and requested full payment of an overdraft. Shortly after it also closed Mrs P's credit card with immediate effect. The overdraft was paid in full, but before it was done, a missed payment marker was added to Mrs P's credit file impacting her score. She also received a CIFAS marker loaded against her, which had a significant personal impact on her.

What happened

Mrs P had a personal account and credit card with Barclays. On 18 September 2023 Barclays wrote to Mrs P to explain that it was taking the decision to close her accounts, it listed the accounts it was due to close. This letter explained the overdraft agreement has been terminated, and she'd need to repay any overdrawn balances as soon as possible.

On 11 October 2023 Barclays wrote to Mrs P to explain it was also closing the credit card account with immediate effect.

At the time the bank account was closed it was overdrawn, and within its previously agreed overdraft limit. Mrs P fully paid off the overdrawn balance on 11 October 2023 clearing the account, but by this time Barclays had recorded a missed payment with credit reference agencies.

Barclays had also recorded a CIFAS marker against Mrs P, albeit this was removed.

Mrs P made a complaint to Barclays about the negative information showing on her credit file following the bank account closure. Barclays responded to explain that this was factual information. It didn't consider any bank error had been made.

Unhappy with the response, the complaint has been brought to our service to investigate.

One of our investigators looked at the complaint and didn't uphold it. They found Barclays had treated Mrs P fairly when closing the accounts. The investigator said Barclays had complied with the terms and conditions of the accounts when closing, the overdraft became repayable and because it was unpaid at the time, Barclays were fair in what it reported.

Mrs P disagreed. She explained that as the account had been restricted, she had no way of accessing the account to know the balance. Had Barclays provided 30 days' notice to settle, explaining the sums owed, she would've been able to pay and prevent negative credit information. She also disagreed that Barclays ever wrote requesting payment of the overdraft.

Mrs P further set out that the investigator had failed to address the effects of Barclays adding a CIFAS marker, had on her personal matters.

Because Mrs P disagreed the case has come to me to decide. I then sent both parties my provisional decision in which I said I was planning on not upholding this complaint. The

deadline for responses has passed and Mrs P has provided further comments; I will now decide the complaint.

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'm aware that I've summarised 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 focussed 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. I do stress however that I've considered everything Mrs P and Barclays has said before reaching my decision. It's important to note that my decision focuses on Barclays actions in regard to the personal accounts.

I would add 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 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.

The complaint handling rules are set out by the Financial Conduct Authority ('FCA') in the dispute resolution handbook ('DISP').

DISP 3.5.9R states:

"The ombudsman may;

(1) exclude information that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate."

CIFAS loading

Our service can't consider every complaint issue we receive. The rules for what complaints we can and can't consider are set out by the Financial Conduct Authority ('FCA') in the dispute resolution handbook ('DISP'). Amongst other things, these rules set who is an eligible complainant able to bring a complaint. I am bound by the provisions set out in these rules and I can't disregard them.

DISP 2.3.7R sets out a consumer must be an 'individual acting for purposes which are wholly or mainly outside that individual's trade, business, craft or profession'.

And DISP 2.7.6R sets out that to be an eligible complainant, a person must also have a complaint which arises from matters relevant to one or more of the following relationships with the respondent. Going on to list the relationships.

The CIFAS marker was loaded against Mrs P, and had an impact on Mrs P as an individual.

But the marker was added on the basis of account activity on a Limited company account, that was being used for business purposes.

Mrs P says that the marker was loaded against her, and therefore it has no connection to the business account, consequently she believes she can bring this complaint point to our service as an individual. She also says that she does have a direct relationship with Barclays as director, beneficiary and owner of the business.

The alleged activity that was the cause of the CIFAS marker being loaded, was activity carried out by a Limited company, and the funds that were disputed were sent through the Limited company accounts. Whilst I acknowledge the comments made by Mrs P, I don't agree that she was acting outside her business trade or profession.

I agree that Mrs P does have relationships with Barclays that give rise to her being an eligible complainant. But the complaint must arise from matters relevant to that relationship. This complaint is being brought by Mrs P as an individual relating to her personal accounts – which is a different relationship than that as director of a limited company. For the reasons I've explained above, I don't consider the matter of the Cifas marker to have arisen from that relationship.

For these reasons I won't be considering the CIFAS loading, or any impact it had on Mrs P.

Account closures and credit reporting

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes mean banks need to restrict, or in some cases go as far as closing customers' accounts.

A bank is entitled to close accounts just as a customer may close accounts with a bank. But before a bank closes an account, it must do so in a way which complies with the terms and conditions of the account, and doesn't discriminate.

The terms and conditions of the accounts, which Mrs P and Barclays had to comply with, say that it could close the account by giving at least two months' notice. And in certain circumstances it can close accounts immediately or with less notice.

Barclays made the decision to close the bank account in September and the credit card account in October 2023. Having looked at all the information Barclays considered as part of its investigation, which include some information I'm considering as confidential, I'm satisfied it was entitled to do so in the way that it has done, and has done so in line with the terms and conditions. This is notwithstanding the fact the Cifas marker had already been removed by the time the decision to close the credit card was made.

Once Barclays closed the bank account immediately the overdraft agreement was terminated and became due. Barclays terms and conditions set out it can end an arranged overdraft at any time for any reason, but it would give at least 30 days' written notice and ask for it to be paid back. It can also end it immediately (or on less than 30 days' notice) in certain circumstances. These include where it is entitled to immediately end the agreement for the current account the overdraft relates to. In the circumstances of this case, I'm satisfied this applied here, and Barclays didn't have to provide 30 days written notice to end the overdraft agreement. Therefore, the overdraft balance became due on the same day as the account closure on 18 September 2023.

Mrs P has said she hasn't received notice that the overdraft ended, she's provided what she

says was the notice to close. However, this letter is a response to the complaint after the notice to close had already been sent. I've seen a letter, and internal notes indicating this letter was sent showing me Barclays have provided notice of both the account, and the overdraft closures. Many of Mrs P's objections relate to not having received this notice, but I'm satisfied that it has been sent. This letter didn't include notice on the credit card, this was sent in October, and I've seen evidence that notice to close has been sent on the credit card.

Barclays has said it reports information to credit reference agencies around the same time each month. At the time Barclays provided the reporting, Mrs P had not paid the overdrawn balance.

I appreciate Mrs P's argument that she expected clearer information about whether she had an overdraft, how much she owed and provided a specific date to repay it by. I understand that because of the account blocks and closure she no longer had access to the balance. I've reviewed how Mrs P operated the account, and she generally ran the account in the agreed overdraft, so whilst she may not have been aware of the exact amount she owed, she ought to have been aware there was a balance due.

Barclays closure letter made it clear that the overdraft agreement had been terminated, and payment of the overdrawn balance was needed as soon as possible. Barclays letter also provided a telephone number to call or suggested visiting branch to discuss payment or any overdraft debt. So, I'm satisfied Barclays gave Mrs P the option to find out how much she owed and information on how to pay it. That being said, Barclays could have provided clearer information about repaying the overdraft. And I do acknowledge Mrs P wasn't provided much time to make the payment, before the credit file was updated with a missed payment.

Having considered this along with the content of Barclays review, which includes the information it has provided to this service in confidence, I don't find awarding Mrs P compensation or asking Barclays to remove what was reported would be fair or appropriate in the circumstances.

I understand Mrs P will naturally want to know the information I have weighted in order to reach this finding, and has said she's asked Barclays for it. But as I've already set out, I am treating this information in confidence, which is a power afforded to me under the DISP rules, and therefore I consider it shouldn't be disclosed.

Accordingly, I have accepted information in confidence which I am not disclosing to Mrs P. 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 Mrs P compensation or asking Barclays to do something differently, would not be a fair or appropriate outcome for any of the matters she has brought as part of this complaint.

So, I won't be asking Barclays to remove markers with credit reference agencies, nor compensate Mrs P for any inconvenience or financial loss that she may have experienced from the marker added to her credit information.

I don't doubt this will have had an impact on Mrs P. So, I realise she will be disappointed by my decision, but I won't be asking Barclays to do anything further to resolve Mrs P's complaint.

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 Mrs P to accept or reject my decision before 11 September 2025.

Simon Yates
Ombudsman