

The complaint

Mr K complains that Barclays Bank UK PLC closed his account without giving him notice of its intention to do so.

What happened

Mr K had an account with Barclays. He transferred money from the account to friends. When they transferred money back into the account, the bank took the decision to close it. It did so without giving Mr K any notice. Mr K was able to withdraw the account balance in cash, but says he has had difficulty in opening a new account.

When the bank asked Mr K about the transfers, he explained that he had lent money to friends, which they had then repaid.

Barclays reviewed what had happened. It concluded that it had acted fairly in closing Mr K's account, but that it should have given him 62 days' notice before doing so. By giving him no notice, it had not given Mr K a proper chance to make alternative banking arrangements. It offered him £175 in compensation.

Mr K did not think that offer went far enough. He said that, without a bank account, he was unable to work, because his employer would not pay his salary into a third party account. He referred the matter to this service.

One of our investigators considered what had happened. He noted that, because of the bank's decision to close the account, Mr K had been unable to access his funds for 48 days from 21 November 2023 until 8 January 2024. He recommended that (in addition to the £175 the bank had offered), Barclays should also pay interest at 8% on the account balance for 48 days.

Barclays accepted the investigator's recommendation, but Mr K did not. He asked that an ombudsman review the case.

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.

It is generally for a bank to decide whether to provide or continue to provide account services to a customer. This service won't usually interfere with a bank's commercial judgment in such matters, and I don't believe there is any reason for me to do so in this case.

However, a bank should provide a customer with reasonable notice before closing a customer's account. What is reasonable depends on the circumstances; in some cases, immediate closure might be appropriate. The bank accepts, however, that it should have given 62 days' notice here and has paid Mr K £175 in recognition of that. I agree that 62

days would have been reasonable here, which is in line with the account terms in most cases.

Mr K remains concerned, however, that he has found it difficult to open a new account. The investigator provided him with information about opening a basic account, and he appears now to have an account with a digital bank. I am satisfied, however, that Barclays has not registered any information with external agencies which might have affected Mr K's ability to open an account. And I do not believe it would be appropriate for me to require Barclays to re-open Mr K's account or to provide him with a new one.

I agree with the investigator's view that Mr K should receive interest on the account balance for the time he was without funds. Barclays has agreed to that recommendation, but I will make a formal award, so that Mr K can enforce it if necessary.

My final decision

For these reasons, my final decision is that, to resolve Mr K's complaint in full, Barclays Bank UK PLC should pay interest at 8% a year simple for 48 days on the account balance at the time of closure.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 October 2025.

Mike Ingram

Ombudsman