

The complaint

Mr F complains Barclays Bank UK PLC unfairly closed his account.

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 F held a Barclays account, and in March 2025 Barclays reached out to Mr F to obtain further details about the account activity. As no response was received, the account was blocked in April 2025.

A review of the account led Barclays to close the account immediately, and Mr F was sent a letter confirming this on 28 April 2025. The account closed with an overdrawn balance of £508.93. Mr F raised a formal complaint about the handling of his account. In its response dated 16 May 2025, HSBC explained that an internal review had led to its decision to close the account immediately and this decision was correct, and further details wouldn't be provided. HSBC apologised for the impact the immediate closure had, but explained no compensation was due as it acted in line with the account terms and conditions and its regulatory duties.

Mr F remained unhappy and referred his complaint to this service. In his referral Mr F reiterated his concerns about his treatment by Barclays and the impact the closure had on him. An Investigator reviewed the evidence from Mr F and Barclays and made the following recommendations:

- The block on the account was fair, and Barclays was entitled to carry out a review in line with its legal and regulatory duties.
- Barclays doesn't have to provide Mr F with its reasons for blocking and then closing the account.
- Barclays acted in line with the account terms and conditions, and Mr F is liable for the accounts outstanding balance.

Dissatisfied with this review, Mr F asked for his complaint to be reviewed by an Ombudsman.

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 F was disappointed by the investigator's opinion. I'd like to reassure Mr F 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 continuing to carry out due diligence checks on account holders, 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 F's account. I know Mr F would like an explanation as to why Barclays took these actions. But it isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information we consider should be kept confidential. But I can assure Mr F that having reviewed it, Barclays' decision to review and close Mr F's account was fair and reasonable in the circumstances.

The information provided by Barclays also demonstrates that it took these actions in line with the obligations it must adhere to. The terms and conditions of Mr F's account also allow Barclays to block it in specific circumstances. I understand Mr F's frustration with the block, and I don't doubt it would've had a detrimental impact on him, especially as he appears to have used the account regularly. Mr F says he was unable to pay for essential such as rent, and this caused distress and he had to turn to friends for financial support. I appreciate this would've been distressing for Mr F, but I consider the blocks to be necessary to ensure Barclays was able to comply with its regulatory requirements.

Barclays' review of Mr F's account led to its ultimate decision to close the account. I understand Mr F feels this decision was unfair. Mr F says Barclays should provide reasons for its decision and it should compensate him £1,500. Ultimately, Barclays is entitled to set its 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 F's account also set out that the bank can close the account immediately. 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 F's account in this way.

I can see that when Mr F's account closed, he was able to attend branch and access his salary, but the outstanding overdue balance on the account remained. Barclays has explained that Mr F needs to clear this balance, and I consider this to be appropriate in the circumstances of Mr F's complaint.

I'm sorry this isn't the outcome Mr F 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 F.

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 F to accept or reject my decision before 12 February 2026.

Chandni Green
Ombudsman