

The complaint

Mr S complained about the way Barclays Bank UK PLC trading as Barclaycard dealt with the administration of his credit card account.

What happened

Mr S complained that Barclaycard restricted the use of his credit card without notice and closed the account. He said that Barclaycard did this during a dispute he raised and he was unable to make payments towards the account. He wanted it to explain why he was unable to use his account. He said that he was caused embarrassment when transactions were declined and he was unable to pay for goods that he wanted to buy at a discounted rate.

Barclaycard responded to Mr S' complaint and explained that it decided to close his account in January 2025 following an internal review. It said that it acted in line with the terms and conditions of the account.

Mr S referred his complaint to this service. He had a separate complaint relating to a chargeback dispute and wanted both complaints to be considered together. Barclaycard initially informed this service that it sent Mr S a letter in January 2025 informing him that the account had been closed and what that meant. It later informed this service that it reviewed the account again around August 2025 and said that it would reopen the account once it received a response from Mr S to a letter it sent. It also said that Mr S would then be able to use the account again.

Mr S said that he would consider resolving the complaint if his other complaint was resolved and said that he wanted Barclaycard to reconsider the credit limit of the account, payment of compensation for the impact of the closure and the terms of reinstatement. He also wanted to discuss a balance transfer.

An investigator considered the complaint and recommended Barclaycard pay £200 compensation for the delay in reconsidering Mr S' concerns over the closure of the account and the impact of this. However, she explained that this service was unable to get involved in the points Mr S raised about the reopening of the account and it was Barclaycard's decision on what terms it wishes to lend to customers. And Mr S would need to discuss this with Barclaycard directly.

Barclaycard accepted the investigator's recommendations and explained that credit limit reviews would need to be in line with its terms and conditions. Mr S didn't agree he said that the disputes he raised about transactions on the account and the closure of the account were linked and this exacerbated the distress and inconvenience caused. As the matter remains unresolved it has been passed 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.

Where evidence is incomplete, inconsistent or contradictory, I reach my view on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

I've reviewed and carefully considered the entire file, acknowledging that Mr S has raised several different points of complaint. It's clear Mr S feels strongly about this matter, and I mean no discourtesy where I haven't commented on each individual point he has raised. I've focused on what I consider are the key elements of the complaint.

Mr S has said that a separate complaint is linked to this complaint – however as that other complaint has been decided by another ombudsman I won't comment on the merits related to that complaint.

I've considered Mr S's complaint about Barclaycard's decision to close the credit card account and then later reopening it.

I understand Mr S feels strongly about Barclaycard's decision to initially close the account and he wants to know the exact reasons for doing so. It may be helpful to set out some background to these sorts of disputes. Barclaycard has important legal and regulatory responsibilities to meet when providing accounts. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. And they don't always have to provide an explanation as to why they closed an account. Barclaycard's terms allow it to close accounts on an immediate basis.

Having reviewed the particular circumstances of this complaint, I haven't seen anything to suggest that Barclaycard has acted outside of the account terms or otherwise unfairly when it decided to close the account.

Mr S has said that the closure of the account caused him significant distress and inconvenience. I understand that Mr S wanted to use his account to make further transactions but said he was unable to do so. But as Barclaycard is able to withdraw credit facilities and closed the account in line with its account terms, I am unable to conclude that the closure of the account was unreasonable. So, I couldn't fairly ask it to compensate Mr S for the impact of this.

Having said that, it should provide customers with clear, correct information and I recognise that it would have been confusing for Mr S to find out that Barclaycard chose to reopen the account as he was told in the final response letter that this couldn't happen.

I think it should've correctly explained to Mr S that it was able to re-assess the closure and could consider reopening it. Barclays has said it could have reviewed the account more promptly before agreeing to reopening it. It has agreed to pay Mr S £200 compensation following the investigator's recommendations. I think this is a fair resolution to the complaint and I won't be asking Barclaycard to take any further action.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC trading as Barclaycard to pay Mr S £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 May 2026.

Amina Rashid
Ombudsman