

The complaint

Mr and Mrs H, a partnership, complain that Barclays Bank Plc ('Barclays') closed their business credit card account unfairly and without notice, and refused to reinstate this.

Mrs and Mrs H seek a review of what's happened and want things putting right.

What happened

Mr and Mrs H were unhappy when the information they provided about their business partnership didn't meet Barclays' criteria, and their account was closed. Mr and Mrs H didn't know about this until they tried to use the card, and when they rang Barclays to sort things out, they weren't satisfied with the support they received.

Mr and Mrs H asked the Financial Ombudsman Service to investigate, saying Barclays had agreed there was an error and had promised to re-open the account. Mr and Mrs H said they'd been left without a resolution for months, and they weren't happy to make a fresh application for a new account.

Our investigator made enquiries of both parties and recommended that Barclays pay Mr and Mrs H £175 compensation for the poor communication surrounding the account closure. Barclays agreed and paid £175 into the closed business account.

Mr and Mrs H thought this was unreasonable as they couldn't withdraw the £175, and said they'd been promised further redress which hadn't been actioned. Mr and Mrs H said they'd been left with months of uncertainty regarding the status of the account and the complaint resolution. The matter then came 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I have decided to uphold Mr and Mrs H's complaint, for broadly the same reasons as our investigator. I'll explain why, and what I require Barclays to do to put things right.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. So it is not for this service to interfere with a firm's processes, systems or controls nor to fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator.

Mr and Mrs H were experiencing the ill health of a close relative and a bereavement during these troubles with Barclays and understandably this was a difficult time. Mr and Mrs H had held their account with Barclays for many years, and from their perspective nothing material had changed in the partnership's banking relationship with Barclays. I do understand and sympathise that Mr and Mrs H were disappointed not to have a more human approach from Barclays given the circumstances and their banking history, and I've kept in mind how Barclays' actions have impacted Mr and Mrs H when considering this complaint.

I agree with our investigator that Barclays were obliged to carry out Know Your Customer checks. I'm satisfied that Barclays' letters clearly stated Mr and Mrs H's account could be closed if they didn't meet the requirements. I think those requirements were clearly stated in the letters. Unfortunately the documentation Mr and Mrs H provided in response to Barclays' requests didn't meet the criteria, so I don't think there was an error in the closing of Mr and Mrs H's account.

I don't think there is evidence that Barclays sent an email to Mr and Mrs H about their account closure when it happened, although Barclays' system notes refer to letters, emails and phone contact about the required documentation. I'm not persuaded Mr and Mrs H were aware the account had been suspended or closed before Mr H rang Barclays on 19 November 2024 to discuss why he couldn't use the credit card.

There's no available call recording for me to listen to, but I've seen the follow up emails between the parties. Barclays set out the required documentation again, but this didn't divulge that Mr and Mrs H had until 4 December 2024 to provide the correct documentation to avoid a permanent account closure. This date is recorded in Barclays' internal notes, but it's not clear whether Mr and Mrs H knew this was a deadline.

As I've said above, Barclays' emails did clearly state the requirements of the documentation, so I'm mindful that Mr and Mrs H had this information. But I agree with our investigator that Barclays missed an opportunity to better support Mr and Mrs H with the Know Your Customer checks. In practical terms I think they should have responded to Mr H's email on 19 November 2024 when he asked if the documentation supplied was acceptable. I think Barclays should have communicated that their requirements still weren't met, and should also have said why. The reason appears to be that Mr and Mrs H's full names weren't on the documentation they'd sent.

It appears Barclays didn't respond to Mr H's email on 19 November 2024 at all, as he chased for an update to his account validation on 24 November 2024. At that time Barclays said there was no update and the matter was being escalated. There then appears to have been no contact with Mr and Mrs H before the account was permanently closed on 4 December 2024. And when Mr H chased for a further update on 12 December 2024, he wasn't advised the account was permanently closed. Instead, Barclays advised there was no update. I don't think Barclays' communication here was fair or reasonable and I accept it caused Mr and Mrs H distress and inconvenience.

Mr and Mrs H then raised a complaint. Mr H told this service that Barclays offered redress, and part of this was the re-opening of the account. There's an email from Mr H to his Barclays' relationship manager on 7 April 2025 which also refers to Barclays offering redress but not following this up with any action.

I've seen a written call note from 27 February 2025 in Barclays' file to our service, which refers to an "error made on our part and if they can provide proof we can refresh and reopen account. Will email him tomorrow." I've not seen any follow up to this, and Mr and Mrs H say they were left with the impression that their account would be reinstated, and compensation would be issued.

I agree with our investigator that a firm's complaints handling is not something the Financial Ombudsman Service can investigate, so we wouldn't typically look at troubles with chasing a complaint outcome or negotiating redress. However I think we can consider how a firm engages with their customers regarding a product or service they provide.

In August 2025 our investigator asked Barclays to comment on their apparent offer to re-open the account, and despite two deadline extensions Barclays have not been able to provide that information to this service. I can understand that this is frustrating for Mr and Mrs H who feel disappointed and let down by the service they've received. They wanted to know what was happening with this account to make an informed decision about their next steps. In August 2025, Mr and Mrs H said they'd been putting their business expenses on personal cards, which was creating more accounting work. They wanted this account to be re-opened, as they didn't want to re-apply for a new account.

I've thought about how best to put things right here. As I've explained above, I think the decision to close the account was in line with Barclays' usual process, based on the documentation provided. Barclays say that once an account is closed they won't re-open it and a fresh account application is required. I can't direct Barclays to depart from their usual process for opening an account in these circumstances. Unfortunately I think this means that once Mr and Mrs H's account was closed, they were always going to have to make a fresh application if they wanted the use of a credit card, be that with Barclays or another lender. I'm aware they've now taken their banking elsewhere.

I think compensation for Mr and Mrs H's distress and inconvenience is fair to put things right here, and I agree with our investigator that £175 is a reasonable sum.

I anticipate Mr and Mrs H may feel this is low for what they've been through. In coming to that figure, I've considered that the compensation isn't to address the account closure and the troubles flowing from this. Rather I think the compensation is to recognise that there were occasions where Barclays didn't communicate fairly with Mr and Mrs H, and better support could reasonably have been provided with the Know Your Customer checks.

I agree it's unfair that Barclays have paid the recommended compensation of £175 into the closed business account, as Mr and Mrs H don't have access to this. I think it's fair that compensation for Mr and Mrs H's distress and inconvenience is paid to them directly. Barclays didn't respond to our investigator's queries about the payment being moved to an alternative account, or about the status of the closed account.

I don't think it's reasonable or proportionate to delay the conclusion of this matter any further, so I'm going to direct that Barclays pay £175 into an account nominated by Mr and Mrs H. If this means Barclays adjust the closed business account balance to reverse the £175 payment, then I think that's reasonable.

I expect Mr and Mrs H's account will remain closed. If there is a balance outstanding, I think this will need to be repaid to Barclays to avoid further action. If on reflection Mr and Mrs H would rather their compensation remains in the closed business account to reduce any balance, then they can nominate the closed business account.

Putting things right

Barclays Bank Plc must pay £175 in total for Mr and Mrs H's distress and inconvenience, into an account nominated by Mr and Mrs H.

My final decision

For the reasons I've outlined, I uphold this complaint and require Barclays Bank Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 30 December 2025.

Clare Burgess-Cade
Ombudsman