

The complaint

Ms N complains Barclays Bank UK PLC (“Barclays”) closed her three accounts without notice. Ms N adds that Barclays caused significant delay in returning her USD funds.

Ms N says Barclays’ actions have caused her significant financial difficulty, financial loss, distress and inconvenience for which she should be compensated for in the region of £6,000.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my decision.

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.

Having done so, I have decided not to uphold this complaint. I’ll explain why.

Banks in the UK, like Barclays, 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. This includes Customer Due Diligence (CDD) and Know-Your-Customer (KYC) exercises. These obligations mean that sometimes Barclays needs to restrict, or in some cases go as far as closing, customers’ accounts.

Barclays has explained and provided me with evidence as to why it was reviewing Ms N’s account activity. Having carefully considered this, I’m satisfied Barclays acted in line with its obligations in doing so.

Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Barclays and Ms N had to comply with, say that it could close the accounts by giving her at least 62 days’ notice. And in certain circumstances it can close an account immediately or with less notice.

Barclays closed Ms N’s accounts with immediate effect. When Ms N complained, Barclays said it should have given her 62 days’ notice and so it made an error. Because of this Barclays offered Ms N £200 compensation for the distress and inconvenience this caused her.

Barclays has explained in detail and provided me with supporting evidence as to why it closed Ms N’s accounts. Having carefully examined this, I’m persuaded Barclays had concern enough to have closed Ms N’s accounts with immediate effect. And so, Barclays didn’t do anything wrong in the first instance.

I note Barclays offered Ms N £200 compensation. But, to be clear, I do not make any such direction or endorsement of this given I don’t think Barclays did anything wrong when closing

the accounts with immediate effect.

It's understandable that Ms N would want a detailed explanation, but Barclays is under no obligation to do so. I would however add, that Barclays also closed the accounts in line with its wider regulatory obligations to which I have already made reference to above.

Ms N says Barclays caused unfair and undue delay with returning her USD. But Barclays made it clear that Ms N could only retrieve the funds in the USD currency if they are transferred to another USD account. Otherwise, Ms N would have needed them converted to GBP. From the evidence I've been provided, Ms N didn't want that, so she organised a new USD foreign currency account with another bank. Barclays did nothing wrong in following its own security process to ensure the new account was in Ms N's name before transferring the funds. So, I don't find Barclays caused undue delay.

As I don't think Barclays did anything wrong, I make no direction for Barclays to pay Ms N any compensation for the financial difficulty, financial loss, and distress and inconvenience she suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 10 April 2026.

Ketan Nagla
Ombudsman