

## The complaint

Mr B complains that Barclays Bank UK PLC (“Barclays”) declined his application for a basic bank account.

## What happened

On 1 July 2025 Mr B applied for a basic bank account with Barclays after his existing account with another financial institution was closed.

Barclays refused Mr B’s application and when Mr B questioned Barclays about this Barclays only stated that he was unsuccessful and didn’t provide its reasoning.

Mr B raised a complaint about this with Barclays asking that it provide him with a clear explanation of the reasons for refusal and confirmation of which exemption under the Payment Accounts Regulations 2015 it believes applies in his case.

Mr B discovered that he had a Cifas marker recorded against him by another institution which he is disputing and believes this to be the reason he was declined an account with Barclays.

Barclays didn’t uphold Mr B’s complaint stating it had specific internal criteria for opening accounts which it can’t disclose and that its assessment showed Mr B didn’t meet these criteria at this time. Barclays said the decision not to offer an account was based on its internal policies which align with the Payment Accounts Regulations.

Mr B was dissatisfied with this and so brought his complaint to this service. Mr B says Barclays has acted unfairly and failed to comply with its obligations under the Payment Accounts Regulations in refusing him a basic account and failing to explain its decision. As a result, Mr B says he’s been left without access to essential banking facilities causing him significant hardship. In particular Mr B says he is a student and is unable to receive funding through student finance without an account and is struggling to pay for everyday living costs.

One of our investigators looked into Mr B’s concerns and was satisfied Mr B met the eligibility criteria for a basic bank account under the Payment Account Regulations and explained that Barclays could only decline an application for a basic account under these regulations if the provision of one would be unlawful such as where it would be contrary to the Fraud Act 2006 or money laundering regulations.

They also explained that the regulations are intended to implement the European payment accounts directive in that banks should refuse to open a payment account in specific circumstances such as non-compliance with legislation on money laundering and terrorist financing or on the prevention and investigation of crimes, but that a “refusal can only be justified where the consumer does not comply with that legislation and not because the procedure to check compliance with the legislation is too burdensome or costly”. And that compliance with anti-money-laundering laws should not be used as a pretext for rejecting commercially less attractive consumers.

After considering Barclays reason for rejecting Mr B's application and that the 2015 Regulations were intended to give everyone the right to a payment account with basic features and Mr B's circumstances, they didn't think Barclays decision was fair. To put things right for Mr B they thought Barclays should reconsider Mr B's basic bank account application and open the account for him and compensate Mr B £100 for the trouble and upset caused.

Barclays disagreed as it believes it has a reasonable argument for declining Mr B's application under the regulations and hasn't done anything wrong and so Mr B's complaint has been progressed for an ombudsman's decision on the matter.

### **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.

And having considered everything carefully I'm in agreement with our investigator and I'm not sure there is anything much more of use I can add.

my role is to look at the problems Mr B has experienced and see if Barclays has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr B back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

The Payment Accounts Regulations 2015 provide that everyone legally resident in the United Kingdom who meets certain eligibility criteria has the right to open and use a basic bank account. Barclays is one of the banks required to offer such accounts under these regulations, and I'm satisfied that Mr B met those eligibility criteria.

Under the regulations, Barclays can then only refuse an application for basic account in certain circumstances – where either it would be unlawful to do so, or where the customer's behaviour towards Barclays staff would amount to an offence under public order legislation.

The regulations give examples of when opening an account would be unlawful such as where opening the account would be contrary to the Fraud Act 2006 or money laundering regulations, but this list is not exhaustive.

As our investigator explained the regulations are intended to implement the European payment accounts directive in that credit institutions should refuse to open an account in specific circumstances such as non-compliance with legislation, but that this can only be justified where the consumer does not comply with that legislation and not because the procedure to check this is too burdensome or costly.

So what I need to decide is whether providing an account to Mr B would've been unlawful and whether Barclays correctly declined Mr B's application in-line with the regulations. Barclays can't decline an application just because it doesn't want Mr B as a customer or because it would be too burdensome to comply with its other legal and regulatory requirements.

Barclays has told this service in confidence why it declined Mr B's application and why it believes providing an account would be unlawful. While I accept Barclays doesn't need to open a basic account where it would be unlawful for it to do so and that Barclays are entitled to set its own criteria when assessing applications and has its own appetite for managing and mitigating the risk of financial crime - and I don't think Barclays have unfairly taken into consideration certain information about Mr B when assessing his application.

I don't agree that this information alone is enough to say that the provision of a basic account to Mr B would be unlawful, especially where I can't see that Barclays have investigated whether this information is correct or properly considered Mr B's circumstances and assessed the risk of providing Mr B with a basic bank account when he has no banking facilities elsewhere.

The 2015 regulations were intended to give everyone the right to a payment account with basic features. Access to an account like this is seen as an essential part of everyday life and not having access to one makes everyday life difficult and more expensive. I think the onus is on Barclays to show that declining the application was the only way it could otherwise comply with its obligations.

So I'm not persuaded on the information I've seen that there is enough to say Barclays must not open an account for Mr B as it would be unlawful to do so or that its decision to decline Mr B's application was a fair one and so it follows that I uphold this complaint.

Barclays should reconsider Mr B's account application and allow Mr B to open a basic account - assuming he still needs one – which Barclays would be entitled to review on a regular basis and to close the account if it had relevant concerns.

And again, I'm in agreement with our investigator that Barclays should compensate Mr B £100 for the trouble and upset of not being able to open a basic account and being left without basic banking facilities.

### **My final decision**

For the reasons I've explained, I uphold Mr B's complaint against Barclays Bank UK PLC and direct it pay the fair compensation and take the necessary actions as outlined in my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 March 2026.

Caroline Davies  
**Ombudsman**