

## **The complaint**

Mr L complains that Barclays Bank UK PLC (Barclays) restricted his personal and business account and loaded a fraud marker against him.

## **What happened**

Mr L had a personal and business account with Barclays. Mr L was a sole trader and held the business account for his website development and graphic design business, which was opened in July 2024.

In July 2024, Mr L received a £100 payment to his business account, which was reported as fraud, in the same month. Barclays suspended Mr L's access to his accounts and asked for evidence to show he was entitled to the funds. Mr L submitted evidence to Barclays to explain he had traded a crypto-asset through a peer-to-peer cryptocurrency exchange platform. Barclays reviewed this information, and Mr L's account access was restored.

Barclays subsequently initiated another review of Mr L's accounts towards the end of July 2024. Mr L was no longer able to access the funds in his accounts and Barclays wrote to him at the beginning of August 2024, to confirm his accounts had been closed, with immediate effect. Barclays also loaded a fraud marker about Mr L with National Hunter, a fraud prevention database.

Mr L visited a Barclays branch to withdraw his funds, and he says Barclays wouldn't allow him to withdraw all his funds in cash. Mr L says he then followed this up with Barclays and withdrew the remaining balance of approximately £8,000 from his business account. The funds from Mr L's personal accounts, amounting to just over £100,000 were withheld by Barclays.

Between August and October 2024, Barclays continued its review and contacted Mr L for proof of entitlement to funds in his accounts. Mr L received an email from Barclays at the beginning of October 2024 to confirm his funds were ready to be withdrawn but he says when he visited a branch, he was told this wasn't the case. Mr L was asked for additional proof of entitlement by Barclays at the end of October 2024, which he provided.

Mr L says he found the process for submitting evidence to Barclays to be excessive and difficult. He said he submitted the same documents multiple times to Barclays after Barclays requested it more than once, so he considered Barclays' responses and evidence requests to be contradictory.

In addition, Mr L said he encountered technical issues when trying to submit evidence to Barclays during the review. And he added that Barclays had a 15-day timeframe in which it should've processed Mr L's evidence, but this was exceeded on numerous occasions, without Barclays providing an update or resolution.

Mr L subsequently lodged complaints with Barclays about the matter.

In the meantime, Barclays contacted Mr L at the beginning of February 2025, to request

additional proof of funds evidence that it required. Mr L's response was reviewed, and cheques were issued for the remaining funds in Mr L's account within a few days of the evidence being submitted.

Barclays issued two final responses to Mr L's complaints in February 2025 in relation to each of the accounts Mr L held.

In the response relating to Mr L's business account complaint, Barclays said in short:

- Barclays had correctly made the decision to close Mr L's account, but it should've provided Mr L with 62 days' notice to allow him to rearrange his banking
- Mr L had withdrawn all the funds from his business account on 12 August 2024 and Barclays hadn't required proof of funds evidence for his business account, so an apology was offered for any confusion caused
- Barclays paid Mr L £200 compensation for the stress caused to Mr L

Barclays subsequently issued a final response relating to Mr L's personal account. In summary, it said:

- Mr L thought Barclays had loaded his details to CIFAS. This wasn't the case, and Barclays had loaded Mr L's details to Hunter – but had since removed any detrimental information from the database, so Mr L shouldn't be prevented from opening an account elsewhere, due to information recorded by Barclays
- After an internal review, Barclays had correctly made the decision to close Mr L's account, but it should've provided Mr L with 62 days' notice to allow him to rearrange his banking
- Barclays' proof of funds review began in August 2024 and although Mr L felt the number of transactions Barclays asked him to verify was excessive, this was needed to complete its review. An apology was offered to Mr L regarding the process and if he felt Barclays' evidence requests were excessive
- Mr L had queried why he had to re-submit evidence, which was rejected and later accepted during the review. This may have been due to the length of time that had passed and no further claims had been received by Barclays. So, the agent reviewing Mr L's case deemed they had sufficient evidence to complete the review
- £400 compensation was paid to Mr L for the inconvenience and stress caused.

Mr L referred his complaint to our service. He explained that his business had been impacted significantly because he hadn't been able to work or support himself since Barclays had loaded a fraud marker against him and retained his funds. Mr L added the situation had caused him distress and impacted his mental wellbeing.

One of our Investigators looked into things and upheld the complaint, in part. In summary, they said:

- Barclays didn't need to tell Mr L why it had closed his account but was required to share this information with our service, in confidence. Based on the evidence Barclays provided, the closure of his business account was fair, although Barclays said it should've allowed Mr L time to make other arrangements

- The Hunter marker Barclays had loaded was recorded from July 2024, to January 2025. Barclays said it shouldn't have loaded the Hunter marker but given Mr L had shared he also had adverse data recorded by another financial institution on 29 August 2024, it wasn't possible to say the Hunter marker was the sole reason that Mr L would've had difficulties in applying for other accounts
- Barclays was adhering to its legal and regulatory obligations when it reviewed Mr L's accounts and requested information from him. Whilst Mr L thought this process was excessive, Barclays hadn't done anything wrong in relation to this
- Mr L was offered £400 compensation regarding the lack of notice before his account was closed and for incorrectly loading the Hunter marker. Barclays ought to pay an additional £100 compensation for the distress caused to Mr L

Barclays accepted the Investigator's findings and agreed to pay the additional compensation to Mr L.

Mr L disagreed and felt significant elements of his complaint had been overlooked. He reiterated that he'd submitted evidence to Barclays which had been denied, so he then had to resubmit the same documents again, for Barclays to make a decision if the evidence was acceptable.

Mr L added that he had been given misinformation by Barclays on multiple occasions that he could withdraw his funds, leading to unnecessary branch visits, which incurred costs. And for the period that Barclays retained his funds, he said he wasn't able to work.

As there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I said I was planning on not upholding the complaint.

#### Provisional decision

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I've read and considered all of Mr L's submissions regarding his complaint, but I'll concentrate on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.*

#### *Account closure*

*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. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.*

*The terms and conditions of the account that Mr L and Barclays had to comply with, say that Barclays could close the accounts by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice. Barclays closed the accounts with immediate effect.*

*I note Barclays say it should not have closed Mr L's accounts with immediate effect but instead have given him two months' notice. But having considered the information and explanation Barclays have provided, I'm satisfied it acted fairly when closing the accounts immediately.*

*I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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 that I consider should be kept confidential.*

#### *Fraud marker*

*I note Barclays has informed Mr L that it shouldn't have loaded the Hunter marker against him. Mr L feels strongly that the marker prevented him from opening accounts elsewhere. As has already been mentioned, Mr L had a fraud marker loaded against him by another business in August 2024, so if Mr L had any account applications declined after that point, I wouldn't be able to attribute this solely due to the marker Barclays loaded, nor have I seen any evidence to suggest this was the case.*

*I acknowledge Barclays paid Mr L compensation for the trouble and upset caused by the loading of the marker. Having considered the wider circumstances of the case, I won't be asking Barclays to pay any additional compensation, the reason for which I will explain later on in my decision.*

#### *Account review*

*I acknowledge Mr L considers Barclays' review took too long to complete and he's unhappy with the way the review was handled, including repeat requests for information he says Barclays made and the lack of communication from Barclays, overall.*

*I've reviewed the information Barclays requested from Mr L as part of the account review. Whilst it's arguable that Barclays may have been able to progress the review sooner than it did, I've also taken into account that Barclays has important legal and regulatory obligations it must adhere to, which includes reviewing customer accounts – for which there isn't a set timescale that such reviews need to be completed by.*

*Whilst I appreciate Mr L has said he experienced a considerable amount of trouble and upset, due to not being able to access his funds, it doesn't follow that I must award Mr L compensation in these circumstances. Instead, I have to consider all the circumstances and available information surrounding Mr L's complaint to decide whether I think awarding compensation is the appropriate outcome.*

*After considering what Mr L has said and the complexity of the review Barclays undertook, which includes information Barclays has provided to our service in confidence, I don't find awarding Mr L compensation would be appropriate. I understand Mr L would naturally want to know the information I have weighted in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.*

*Accordingly, I have accepted information in confidence which I am not disclosing to Mr L. And the description of that information is that it's of a nature which justifies Barclays' review, and which has led me to decide that awarding Mr L compensation would not be an appropriate outcome for any of the issues he has brought as part of this complaint.*

*Therefore, I won't be asking Barclays to compensate Mr L for any of the distress and inconvenience he says he experienced due to the time it took Barclays to carry out its review, including any impact Mr L says his business experienced and his overall dissatisfaction with Barclays' communication and processes.*

*I recognise Mr L feels strongly about his complaint and will be disappointed by my decision. But based on the evidence I've seen, I won't be asking Barclays to do anything further to resolve Mr L's complaint."*

### **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.

Barclays responded to my provisional decision to confirm it didn't have anything to add.

Mr L requested additional time to provide a response. This wasn't granted as I didn't consider it appropriate to do so and Mr L had two weeks to submit further evidence following my provisional decision if he wished to.

Our rules allow me to fix time limits for any aspect of the consideration of a complaint by the Financial Ombudsman Service. If a complainant fails to comply with the time limit I can proceed with the consideration of the complaint.

Mr L hasn't submitted any further information for me to consider. So, as I've received no further submissions from either party, I have no reason to depart from the findings in my provisional decision.

### **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 Mr L to accept or reject my decision before 12 March 2026.

Khadijah Nakhuda  
**Ombudsman**