

complaint

Mr and Mrs H complain that Barclays Bank PLC have decided to close their accounts because they live overseas and do not hold the new required minimum amount of funds.

background

Mr and Mrs H received letters from Barclays dated 1 July 2015 saying that it had taken the strategic decision to focus on a core set of 70 markets. It said that over time it would close accounts for customers who fell outside its new market strategy. Based on Mr and Mrs H's country of residence, this meant a new threshold of £100,000 was set from 11 September. If this threshold was not maintained then their accounts would close.

Mr H wrote to the bank on number of occasions challenging this decision. He explained that they were long standing customers of the bank and that the relationship was with the branch and that it should make no difference where they lived. He said they maintained a credit balance on the account and if the issue was the cost of sending statements overseas they could address this.

The bank says that it was no longer commercially viable to maintain accounts with less than £100,000 for customers in Mr and Mrs H's country of residence. It says that it has extended the deadline for Mr and Mrs H's accounts. In its letter dated 2 September 2015, the bank said it had credited Mr and Mrs H's account with £100 for the distress caused by this issue and a further £30 to cover the cost of calls made.

The bank accepted that a mistake was made and that money was removed early. It says this happened as the account closure team had not been told about the extension applied to Mr and Mrs H. The money was returned.

The adjudicator said that Barclays had provided Mr and Mrs H with poor service but she did not find that it had done anything wrong by deciding to close their accounts. She said that the bank wrongly started to withdraw funds because the closure team was not aware of the extension granted to Mr and Mrs H. She said that this caused significant frustration and worry. She said that the bank agreed to pay £200 compensation for the distress this caused and £20 to cover the cost of calls. The adjudicator also noted that Barclays had now sent an amended letter explaining why Mr and Mrs H's accounts were being closed.

Mr H said the delay in closing their accounts was no use as they would not be able to open another UK bank account as they don't have a UK address. He said that not having a UK bank was a major issue and might mean they would need to return to the UK. He did not accept that the compensation offered compensated them for the distress this issue had caused.

my findings

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

I understand why Mr and Mrs H are upset by Barclays' decision to stop providing banking services to them unless they can maintain a minimum balance in their accounts of £100,000. I can see that having been Barclays customers for many years they are particularly disappointed.

However, while I appreciate the upset this has caused, I cannot say that the bank has done anything wrong. The bank is entitled to make commercial decisions about the banking services it provides. In this case it has said it is no longer commercially viable to provide banking services in the country of Mr and Mrs H's residence unless a minimum balance of £100,000 is maintained. I understand Mr H's comments about the lack of evidence regarding the commercial viability and his comments that his relationship is with the branch and it shouldn't matter where he lives, aside from the issue of cost of postage, I find that Barclays has carried out its own assessment and I have no reason to suggest it has not made a legitimate commercial decision.

The bank wrote to Mr and Mrs H on 1 July 2015 about the account closures on 11 September. I have checked the account terms and conditions and these state that accounts can be closed with two month's notice and that a reason for closure will be given. I find that the bank has complied with this. I realise Mr H says he opened his account many years ago and no terms and conditions were provided then, but I still find the bank has provided reasonable notice of closure.

The bank has also provided Mr and Mrs H with an extension. I understand this does not remove the issue that Mr and Mrs H may not be able to open an alternative UK bank account but I find the extension provides them more time to make new arrangements.

The bank has paid Mr and Mrs H £130 compensation for the distress and the cost of calls. While I understand Mr and Mrs H have been caused distress through this decision and complaint process, because I do not find that the bank did anything wrong by deciding to close the account, I find this compensation fair and reasonable.

The bank did make a mistake by not informing its closure team of the extension and money was removed early. The bank has apologised for this and agreed to pay a further £200 compensation for the distress caused and £20 for the cost of calls. I find this reasonable.

I realise my decision will come as a disappointment to Mr and Mrs H, however while I agree the service provided to them was not as it should have been, I cannot say that Barclays can not close their accounts.

my final decision

My final decision is that Barclays Bank PLC should pay Mr and Mrs H £220 compensation (which includes £200 for the distress caused and £20 to cover the cost of calls) because of the early removal of their funds.

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 2015.

Jane Archer
ombudsman

