

## **complaint**

Mr D complains that Barclays Bank Plc froze and then closed his accounts at short notice, and that it recorded adverse information on his credit file. As a result, he says he had difficulty in opening a new bank account.

## **background**

Mr D held current and savings accounts with Barclays. He used his accounts to receive and transfer money in connection with a job he had obtained via the internet. Barclays froze Mr D's accounts. It later wrote to him to tell him that it was no longer willing to provide him with banking facilities, and that it would close his accounts in 14 days' time.

Mr D tried to open a new account with other banks, but says he was unable to do so. He complained to Barclays. The bank told him it had been informed that money paid into his current account had been obtained fraudulently, so it had recorded a warning on CIFAS, the fraud avoidance database.

Our adjudicator considered that Barclays had not satisfactorily demonstrated that Mr D was party to a fraud. He recommended that the bank remove the CIFAS entry and pay Mr D some compensation to reflect his distress and inconvenience.

Barclays said it would pay Mr D £200 by way of compensation, but it was not prepared to remove the CIFAS entry. Mr D said he had been put to significant inconvenience because he did not have access to a bank account. While he had since opened an account with another bank, he would still like an account with Barclays, or a higher award of compensation.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Barclays has said that it made a commercial decision to freeze and close Mr D's accounts at short notice and record a CIFAS warning. It has also said it thinks Mr D was a knowing party to a fraud. But I find nothing to indicate that it asked Mr D about what had happened at the time, and it did not tell him why it was taking the action it was. So Mr D had no opportunity to explain his position.

In all the circumstances, I consider Mr D should fairly receive some compensation to reflect the unnecessary distress and inconvenience he was caused by the way in which Barclays handled the account closure. Barclays has agreed to pay Mr D £200 and, while I realise Mr D considers that does not go far enough, I consider it fair and reasonable – bearing in mind the general levels of awards this service makes in this area.

Mr D has told us that he has opened a new account with another provider, and it is generally for a bank to decide whether to provide – or continue to provide – a consumer with banking facilities. I do not consider it appropriate to require Barclays to open a new account for Mr D in the circumstances.

It appears that the CIFAS entry is no longer recorded. Nonetheless, in order to be certain, I consider Barclays should remove any information it has registered with any external organisation about the circumstances in which the account was closed.

**my final decision**

My final decision is that Barclays Bank plc should:

- pay Mr D £200 in recognition of the distress and inconvenience he was caused; and
- remove any information it has registered with any external organisations about the circumstances in which the account was closed.

Janet Millington  
**ombudsman**