

complaint

Mr L complains that Barclays Bank UK PLC blocked and closed his account. And hasn't provided a satisfactory explanation.

background

Mr L had an account with Barclays. In December 2017, Barclays reviewed Mr L's account. Whilst it conducted its review Barclays blocked Mr L's account. This meant he wasn't able to access any funds.

Following its review Barclays decided to close Mr L's account immediately. On 25 January 2018 it wrote to Mr L to let him know he needed to make alternative banking arrangements. On 7 February 2018 Barclays returned the closing balance of Mr L's account to him.

Following the review Barclays finally closed his account on 9 February 2018.

Mr L complained to Barclays. They accepted they should have provided Mr L with better service. In particular it said it had closed Mr L's complaint without the investigation being completed, its review took longer than the 10 days Barclays said, and it didn't write to him when it said that it had.

Barclays reconsidered the decision to close the account and confirmed that Mr L's account would remain closed. Barclays offered Mr L £150 because of the service issues and the delay in reviewing his account.

Mr L was unhappy with the compensation Barclays offered. He said it doesn't reflect the amount of trouble and upset he experienced. He said when Barclays blocked his account he wasn't working. So, he needed the money in his account to get by.

Mr L complained to our service. One of our investigators reviewed the case, she said Barclays were entitled to close the account, but it had taken longer than 10 days to review the account. Barclays had offered £150 in compensation because of this delay and she thought this was fair. She recognised that Barclays had fallen short in its customer service to Mr L and she thought an extra £100 compensation was fair and reasonable.

Mr L was unhappy with our investigator's view. He was unhappy that he hadn't had access to his money for two months and he hadn't been given a reason for it. He was also unhappy with the way Barclays had dealt with his complaint. He said he had no money over Christmas. And said he wants £3,000 compensation.

As there was no agreement the complaint has come to me to decide.

my findings

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 reached the same conclusion as our investigator.

Account review and closure

I'll start by setting out some context for the review of Mr L's account.

Anti-money laundering regulations and UK legislation (which includes the Financial Services and Markets Act 2000, the Proceeds of Crime Act 2002, the Money Laundering Regulations 2017 and the Financial Conduct Authority's financial crime requirements, place extensive obligations on regulated financial businesses to verify a customer's identity, establish the purpose and nature of the business relationship and the origin of funds. Businesses are also required to carry out ongoing monitoring of an existing business relationship. Barclays has said that Mr L's account was blocked to meet these legal requirements.

Mr L says he has no idea why Santander blocked his account and it came as a complete shock to him. He says the blocks meant he couldn't access his money over Christmas.

Whilst I understand Mr L's strength of feeling, as I've already explained businesses have a legal obligation to comply with various laws and regulations. Having looked at the information Barclays relied upon, I'm satisfied that Barclays were complying with its legal and regulatory obligations when it blocked Mr L's account. So, I can't say it has done anything wrong. The terms and conditions of Mr L's account also permit Barclays to block an account. Having considered those terms, I'm satisfied Barclays acted in line with them in applying a block to Mr L's account.

I know Mr L wants Barclays to explain the reason it blocked his account. And I can understand Mr L's frustration that he hasn't been provided a detailed explanation. But as the investigator has explained, Barclays is under no obligation to provide this information to him, as much as he'd like to know. So, I can't say Barclays has done anything wrong by not providing this information to him.

Having said that, Barclays didn't complete the review of his account within 10 days as it said it would. Barclays hasn't explained why it took so long to complete the review. And accepts it should have finished things much sooner than it did. As a result of the delay Mr L was without access to his funds for two months. And from what Mr L has said this made life very difficult for him. So, I'm satisfied that Mr L was caused distress and inconvenience.

I consider £150 already offered by Barclays to be fair and reasonable amount of compensation for the inconvenience he was caused. In deciding this I have considered that Mr L was able to have his wages paid to him by going into branch and a couple of other payments were also made. So, I am satisfied that during this period he had access to some money.

Customer service

Mr L says Barclays closed the complaint without investigating it. He's also said staff hung up on him twice. I have reviewed the evidence and listened to the calls. Unfortunately, not all the calls are available. Having listened to the ones that are available I can understand why Mr L was frustrated by not having his questions answered. Barclays could have directed him to the specific terms and conditions it was relying on and he was told he couldn't raise a complaint. Barclays have accepted that it could have done better. And I think had Barclays answered Mr L's questions it would have eased his concerns. Our investigator awarded £100 compensation for this. And I think this is fair.

In summary, I recognise how strongly Mr L feels about what's happened, and I don't doubt it was a frustrating time. I realise Mr L will be disappointed by my decision, but overall, based on the evidence I've seen, I can't say Barclays has acted unreasonably and treated Mr L

unfairly when it closed his account. However, I think Barclays should have provided Mr L with better service. So, I think Barclays should compensate Mr L with a total of £250.

my final decision

For the reasons I've explained Barclays Bank UK PLC should pay Mr L a total of £250 compensation for the distress and inconvenience it caused him by not completing its review in a timely manner and poor service

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 3 March 2020.

Esperanza Fuentes
ombudsman