

The complaint

Ms L is unhappy that Citibank UK Limited decided to close her bank account.

What happened

In August 2022, Citibank emailed Ms L informing her that they'd recently reviewed her account and felt they were no longer best placed to serve her banking and investment needs. They said they'd decided to close her account and gave her two months' notice.

Ms L complained to Citibank and asked them to reconsider their decision due to her circumstances. She explained she required the account as she was living abroad, and her pension was set up to be credited to her account. She also asked for an extension on the account closure date.

Citibank explained they wouldn't be reconsidering Ms L's request to retain her as a customer but agreed to provide an extension of around a month before closing her account. Unhappy with this, Ms L referred her complaint to our service. She explained she was having difficulty opening an account with another bank either abroad or within the UK.

Our investigator asked Citibank to explain their reasons for closing Ms L's account. Despite our requests, Citibank refused to provide this information. Our investigator said that Citibank were allowed to close Ms L's account at any time by providing two months' notice, so he was satisfied they followed the terms and conditions.

However, as Citibank didn't share the reasons for closing Ms L's account with our service, our investigator couldn't be satisfied they'd treated Ms L fairly. So, he asked Citibank to pay Ms L £50 compensation. Ms L didn't respond to our investigator's view. Citibank disagreed and asked for an ombudsman to review the complaint.

My provisional decision

I issued a provisional decision on 15 June 2023, and I made the following findings:

"Banks are entitled to end their relationship with a customer as long as they do so fairly and in line with the terms and conditions. Unless there's a very good reason, our service won't usually interfere with this decision and say the bank must keep a customer or compensate a customer whose account has been closed.

The terms and conditions of Ms L's account says that Citibank can close her account at any time by giving her not less than two months' personal notice. Citibank gave Ms L more than two months' notice of their decision to close her account. So, I'm satisfied they acted in line with the terms and conditions.

I appreciate Ms L wants Citibank to reopen her account given her circumstances. But as explained, Citibank are within their rights to end their relationship with Ms L, just as Ms L could've decided to no longer bank with them, if she had wished.

I've thought about whether Citibank have treated Ms L fairly in deciding to close her account. I agree Citibank aren't obliged to tell Ms L the reasons why they closed her account, but they need to provide our service with this information to help us decide if they exercised their commercial decision to close Ms L's account legitimately and free from any prejudice or discrimination.

Following my involvement, Citibank have shared their reasons for closing Ms L's account. Having reviewed their rationale, I'm satisfied Citibank's decision to close Ms L's account was reached legitimately. They also agreed to give Ms L an extension on the account closure date, which they didn't have to do. So, I can't agree Ms L was treated unfairly.

I know Ms L finds herself in a difficult situation but since I don't think Citibank have done anything wrong in closing her account, I can't fairly ask them to compensate her for the inconvenience caused."

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.

I invited both parties to respond to my provisional decision with any further submissions. Neither Ms L nor Citibank responded within the deadline given. Citibank didn't need to reply as I wasn't asking them to do anything.

Since there are no new points or comments from either party, there isn't anything else for me to consider. I'm satisfied with the findings I reached, and I see no reason to deviate from the outcome I explained in my provisional decision.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 28 July 2023.

Ash Weedon
Ombudsman