

The complaint

Mr A complains that Barclays Bank UK PLC blocked and closed his accounts. He says this caused him unnecessary stress and worry for which he should be compensated.

What happened

Mr A had two accounts with Barclays. In May 2022, Barclays applied blocks to his accounts and reviewed how Mr A was operating them. Whilst it did this Barclays removed the funds from the accounts and showed the accounts as 'to reconcile'. It subsequently made Mr A's current account appear that it was £500,000 overdrawn.

Mr A discovered that he was unable to use his accounts when he tried to log on to his internet banking. Fearing he'd been the victim of fraud he contacted Barclays to try and find out what was happening with his accounts. And where his money had gone. Barclays told Mr A that it had placed his accounts under review. But wouldn't give Mr A much information. Barclays completed its review on 9 June April 2022, removed the block and released Mr A's balances to him the same day.

Barclays subsequently decided to close Mr A's accounts and wrote to him giving him two months' notice that he'd need to make alternative banking arrangements.

Mr A complained to Barclays. He pointed out that he'd been a loyal customer for 20 years and had always maintained his account properly. He explained that the bank's actions had caused him a great deal of stress and that he missed out on social events as he wasn't able to access his funds. So, he said Barclays should pay him compensation for the trouble and upset it caused by blocking his accounts. In response, Barclays said it hadn't done anything wrong and had blocked Mr A's accounts to comply with its legal and regulatory obligations.

Mr A asked us to investigate his complaint. He said the block on his accounts and lack of access to his funds caused him a lot of problems. He wants the bank to provide a proper explanation about why it blocked his accounts. He said that the bank's actions made him feel humiliated, and criminalised. And caused him a great deal of worry which led to him not being able to sleep.

One of our investigators reviewed Mr A's complaint. He said whilst he appreciated Barclays actions had caused Mr A trouble and upset, he thought Barclays hadn't done anything wrong. He looked at all the evidence and was satisfied that Barclays had acted in line with their legal and regulatory obligations when it blocked Mr A's accounts. And had closed them in line with the account terms. So, he didn't uphold Mr A's complaint.

Mr A disagreed. He doesn't accept Barclays were doing what it had to do under its regulatory duties. And that it was absurd to place his account overdrawn and not leave him some funds to use.

As no agreement could be reached the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Barclays has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr A, but I'd like to reassure him that I have considered everything.

I appreciate that Mr A is upset that Barclays blocked his accounts. I can also understand that this was no doubt stressful for him especially as the bank's actions made it difficult for him to sleep and take part in social events. But for me to uphold this complaint, I must be satisfied that the bank has done something wrong. And in this case, I don't think it has. I'll explain why.

I want to make it clear that I understand why what happened concerned Mr A. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out he couldn't access his money and his accounts had been blocked. But as the investigator has already explained, Barclays has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence I'm satisfied that Barclays were acting in line with its legal and regulatory obligations when it restricted Mr A's accounts.

I appreciate that Mr A wants to know more about why Barclays did what it did. But Barclays isn't obliged to tell Mr A why it blocked and reviewed his accounts, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

Looking at the terms of the accounts they permit Barclays to restrict access to accounts. So, although I understand not having access to his accounts caused Mr A trouble and upset it wouldn't be appropriate for me to award Mr A compensation since I don't believe Barclays acted inappropriately in taking the actions that it did when it blocked Mr A's accounts.

Whilst Barclays are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr A's accounts were blocked on 26 May 2022 and the review was completed on 9 June 2022. Given everything I've seen I can't say there were any undue delays.

I note Barclays has explained that the reason Mr A's current account appeared to be £500,000 overdrawn was because of the measures it put in place to prevent Mr A from using the account. I can that this action was prompted by further funds that came into Mr A's account on 8 June 2022, which the bank needed to review to comply with its obligations. I've thought about the impact this had on Mr A. Mr A says he was shocked and first thought he'd been the victim of fraud. He's said he was so upset he couldn't sleep. But it's clear to me from the evidence, that Mr A was well aware his accounts were under review. Barclays told him on 26 May 2022 what it was doing. So, I'm not persuaded to award further compensation for this.

I've next gone on to consider whether Barclays acted fairly when it closed Mr A's accounts. It's generally for banks and financial businesses to decide whether or not they want to

provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

Barclays have relied on the terms and conditions when closing Mr A's account. I've reviewed the terms and they explain that Barclays can close an account for any reason by giving two months notice.

Having looked at all the information available to me, including Barclays's actions and the information it's provided I'm satisfied that Barclays's decision to close Mr A's accounts was reached legitimately and fairly. I've reviewed the terms and conditions and circumstances of this complaint, and I'm satisfied Barclays acted in line with them, so, it was entitled to close the accounts as it has already done. Barclays have provided Mr A with the full notice period, so I can't say Barclays have acted unfairly in taking the actions it did. I've considered whether Barclays need to offer any compensation in regard to the closure. But from what I've seen the decision to close Mr A's accounts was reasonable.

In summary, I appreciate that it was upsetting and stressful for Mr A when Barclays blocked his accounts and removed his money. So, I realise Mr A will be disappointed by my decision. But it wouldn't be appropriate to make an award of compensation for that, since I don't believe Barclays acted inappropriately in taking the actions it did.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 November 2023.

Sharon Kerrison
Ombudsman