

The complaint

A company which I'll call 'F' complains that Barclays Bank UK Plc acted unfairly when it closed their accounts without notice and provided poor customer service.

The complaint is brought on F's behalf by one of their directors, Mr R.

What happened

F told us:

- They had asked Barclays to contact them using their email address or the secure messaging system, but the bank hadn't done so.
- They received contact from someone saying they were from Barclays at the end of October 2022 however the contact wasn't professional, and they were worried this was part of a scam.
- Barclays had been undertaking some checks on their account, they had provided the requested information and received a letter on 28 October 2022 saying everything had been received and to ignore any notice to close notification. F's directors had then gone abroad for several weeks.
- Whilst their directors had been abroad, Barclays had written to them on several occasions and then sent a letter saying their accounts would be closed on 16 January 2023. They felt the accounts had been closed without notice or reason which was unfair.
- Barclays actions had caused upset to the directors and cost and disruption to the business as they weren't able to access their historic information.

Barclays told us:

- It emailed Mr R asking him to contact the bank about F's account on 25 October 2022, 26 October 2022 and wrote to F on 31 October 2022 and 8 November 2022 to request the outstanding information but this wasn't received.
- F had been contacted from and requested to call a direct personal contact number, as this would have taken Mr R to the contact handler as they were best placed to deal with the outstanding requests for F.
- It sent a notice to close letter on 17 November 2022 giving F two months' notice in line with the account terms and conditions and the account had been closed correctly in line with its process. However, it wouldn't confirm why it had made the decision to close F's account.
- It agreed that undertaking two different checks on F's account at the same time had caused confusion and inconvenience, so it apologised and offered F £300

compensation. It had also provided the historic account information which had been requested.

Our investigator didn't recommend F's complaint be upheld. She thought that it was reasonable for Barclays to undertake more than one review of an account at the same time. She acknowledged that Mr R was unhappy at how he'd been contacted by the bank, however it wasn't always possible for it to do so using its secure message service. The investigator also said that Barclays had told Mr R that its contact was genuine when he'd called in December 2022, so he could have provided the information at that point but chose not to do so. So she thought the account had fairly been closed in line with the terms and conditions, and the £300 offered by the bank for the confusion was enough to put things right.

Mr R didn't agree. In summary he said the bank hadn't made him aware it was undertaking different reviews and he still didn't know why F's accounts had been closed or what additional information was needed. Mr R also said when he left to go abroad, as far as he was aware Barclays had all the information it needed but when he returned, it had decided to close his account which was unfair. So he asked for an ombudsman to review F's complaint.

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.

Having done so, I think Barclays has done enough to put things right. I'll explain why.

Mr R says that Barclays closed F's accounts unfairly and without giving notice or reason. But I'm not persuaded that it didn't give F any notice. I say that because I've seen that Mr R received emails on 25 and 26 October 2022 from Barclays and chose not to contact the case handler who wanted to discuss the check being undertaken by the bank. I acknowledge that Mr R says he found the content of these emails unusual and had concerns about who he was speaking to. However, I've also seen that the case handler explained in their emails that Mr R could confirm with Barclays over the phone or in a branch that he worked for the bank and what was required – he also confirmed that Mr R could independently verify the contact numbers he'd provided. But Mr R chose not to do so. So I think Mr R ought reasonably to have been aware that Barclays needed some information from F about their account from the tone and volume of contact they were receiving from the bank.

Mr R told us that he received a letter from Barclays dated 28 October 2022 - a couple of days before he went abroad - so he believed the issue with F's account had been resolved. It's not disputed by either party that Barclays could have been clearer when it wrote to F in this letter and said it now had all the information required. However, I've seen that the bank wrote to F on several occasions after this letter had been sent, as it still required further information. I recognise that Mr R says he thought the bank's request for documentation had crossed over with this letter and he didn't notice there were different reference numbers on the letters. However, I think it's reasonable to believe that given the persistent contact from the bank and requests for urgent contact they were receiving that F's directors ought to have been aware that they needed to contact the bank to query why F was still receiving ongoing communication requests from it which it appears were out of character.

I acknowledge that Mr R says he was abroad after he'd received the letter of 28 October from the bank, so he wasn't aware after this date that there was an issue. However, I can't reasonably hold the bank responsible for this, as I've haven't seen any evidence that Mr R made it aware that F's directors would be abroad so it could provide the letters in an alternative format or wait for further action until their return. I also acknowledge that Mr R

says there was no contact from the bank after it had sent the three closure letters in November, and that it could have contacted him by an alternative method. However, the bank isn't obligated to do this, and will contact customers by post about certain actions if it believes this is the way for it to comply with its legal and regulatory obligations. This is a commercial decision the bank is able to make.

Furthermore, as the bank didn't receive a response saying the post had been returned as undelivered, and it had given F the required two months' notice - in line with the account terms and conditions - it continued with its process believing that F was aware of the account closure. I've also seen that Mr R spoke to the bank in December 2022, and it confirmed that the requests had been genuine, however he didn't contact the bank to provide the required information, so the bank continued with the account closure as planned. Therefore, I can't say Barclays acted unreasonably here and didn't give F any notice of the account closure. And it follows I also don't agree that F wasn't given reasonable opportunity to obtain the historical account information it required and seek alternative banking facilities as their account was fully active until the closure date.

I also acknowledge Mr R says it's unfair that Barclays won't tell him the reason that it closed F's account. However, the bank is entitled to make the decision to terminate a relationship with a customer and the terms and conditions of the account allow it to do so as long as it has given the required notice period – which I've seen was the case here. And whilst I recognise the frustration caused to Mr R by Barclays decision not to disclose the reason it closed F's account, the bank isn't obligated to share more information that it already has, and I can't fairly require it to do so.

Mr R told us that the directors had been caused distress and inconvenience due to Barclays' actions. But this complaint has been brought on F's behalf, so F is the eligible complainant. This means that I can't look at any distress or inconvenience caused to the directors in a personal capacity. Limited companies like F, as corporate bodies rather than individuals, are not capable of suffering distress, which means I can only look at the inconvenience caused to F by Barclays' actions.

It's not for me to fine or punish a business for making a mistake, and I can see that Barclays has apologised for giving Mr R unclear information and offered F £300 for the inconvenience caused. Given that I don't think Barclays acted unreasonably in closing F's accounts, I think it's done enough to put things right.

My final decision

Barclays Bank UK Plc has already made an offer to pay £300 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Barclays Bank UK Plc should pay £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 23 November 2023.

Jenny Lomax
Ombudsman