

The complaint

Ms T and Mr V complain that Barclays Bank UK PLC unfairly closed their bank accounts.

What happened

I am aware that Ms T and Mr V had several accounts with Barclays and have raised complaints with this service about the closure of them. This decision will deal with the closure of Mr V's and Ms T's joint personal accounts. Their complaints regarding their other accounts will be addressed separately.

Ms T and Mr V had four joint accounts – two current accounts and two savings accounts. In September 2021, following a review Barclays decided to close the accounts immediately. Barclays wrote to Ms T and Mr V telling them they needed to make alternative banking arrangements and that they would need to attend a branch with ID before it could release the funds in the accounts. Mr V and Ms T did this in December 2021.

Barclays now says it should have given Ms T and Mr V more notice of the closure of their accounts. It says it should have given them at least two months' notice and has offered Ms T and Mr V £100 compensation for the trouble and upset closing the accounts without notice caused them.

One of our investigators reviewed the complaint. He said that Barclays offer was fair and had released the balances of the accounts without any undue delays. He also said that Barclays weren't obliged to provide Ms T and Mr V with an explanation about why it no longer wanted them as customers.

Mr V disagreed. He said Barclays has broken the terms and conditions of the accounts. He says that the banks are in cahoots with the politicians who set banking policy and practices to benefit them and not the everyday man. He says the closure of his accounts caused him extreme anguish, financial duress and severely impacted his health and business. So, he wants Barclays to reopen the accounts, tell him why it closed the accounts and to pay more compensation.

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.

Barclays are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations 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.

In order to comply with its legal and regulatory obligations, it's not unusual for a financial business to periodically review its customers' accounts, even if the account holder has been a customer for some time. Having looked at all the evidence and information, I'm satisfied that Barclays were complying with their legal and regulatory obligations when it reviewed Ms T's and Mr V's accounts. So, I can't fairly say they've done anything wrong.

As the investigator has already explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

The terms and conditions that applied to Ms T and Mr V's accounts set out that Barclays could close their accounts by giving them at least two months' notice. In some circumstances it could close the accounts immediately, which is what happened here.

We've asked Barclays about this. In response, Barclays said that although it would still have closed the accounts, it should have given Ms T and Mr V more notice. I understand of course why Mr V wants to know the exact reasons behind Barclays's decision. And I can see that Mr V has asked Barclays to explain itself on several occasions. But Barclays doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr V the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr V this information. And it wouldn't be appropriate for me to require it to do so. But looking at all the information I accept that Barclays could have closed the accounts if it had given the correct notice.

I've considered what would most likely have happened if Barclays had given Ms T and Mr V more notice about closing their accounts – as it now accepts it should have done. Having looked at all the evidence, I'm satisfied that Barclays would still have closed the accounts – even if it should have given Ms T and Mr V more notice. So, I won't be asking Barclays to reopen the accounts.

When the accounts were closed, I can see that Barclays arranged for the closing balances of Ms T and Mr V accounts to be released to them. Barclays asked Mr V and Ms T to go into a branch with some ID, which is in line with its legal and regulatory obligations. I'm satisfied that Barclays released the funds without any undue delays although I can see that Mr V and Ms T didn't actually visit a branch until 24 December 2021 to collect the funds, which was nearly three months after Barclays said the balances were available.

With all this in mind I've gone on to consider whether Barclays offer of compensation is fair. Barclays has offered £100 to reflect the trouble and upset not giving Ms T and Mr V more notice caused. Mr V says this is insulting and says his business reputation and goodwill was damaged which has adversely impacted his future income. He has explained that he has mounting debt as he hasn't been able to open business accounts. Overall, he said the whole experience has caused him anguish, stress and taken a toll on his health.

I've considered how Barclays actions impacted Ms T and Mr V. I've no doubt having the accounts closed without notice was a shock to them. But some of the impact Mr V has mentioned are losses associated with his company, not directly to Mr V or Ms T. so I cannot compensate Mr V for that – as I said above this will be addressed under a separate complaint.

I can see Mr V spent time contacting Barclays trying to find out what had happened and why the accounts had been closed. I also accept that Mr V and Ms T had to go to the trouble of quickly finding and opening new bank accounts. So, I can appreciate this would've been inconvenient and upsetting for them. And it's only right that Barclays recognises this. However, I'm satisfied that £100 is a fair amount of compensation and proportionate to the trouble and upset Mr V and Ms T were caused in the overall circumstances of this complaint. In reaching this conclusion I've kept in mind that Mr V and Ms T would always have had to spend time sorting things out even if things happened as they should have – in particular, that Barclays would still have closed Ms T's and Mr V's accounts. I've considered Mr V's further comments. But these don't change my conclusions.

In summary, Based, on all the evidence and circumstances, I think Barclays offer of £100 compensation is fair. I understand Ms T and Mr V will be unhappy with my decision but, I won't be asking Barclays to do anything more to resolve Mr V's and Ms T's complaint.

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 Ms T and Mr V to accept or reject my decision before 1 January 2024.

Sharon Kerrison
Ombudsman