

The complaint

Mr L complains that Barclays Bank PLC unfairly closed his bank account. He wants Barclays to reopen his account sometime in the future.

What happened

Mr L had an account with Barclays. In December 2022, Barclays reviewed how Mr L was using his account after it became concerned that the account was being used for fraud. Following its review, Barclays decided to close Mr L's account and wrote to him giving him two months' notice that he needed to make alternative banking arrangements. Barclays closed Mr L's account on 19 February 2022.

In April 2023, Mr L applied to open another account with Barclays. However, a few days later Barclays closed the account. Mr L complained to Barclays and explained that during the time he'd had his first account with the bank he'd become the victim of financial abuse. He said an individual had threatened him to hand over his account details, which under duress he did. And then the individual misused his account without his knowledge or consent.

Mr L apologised for the inconvenience this activity had caused Barclays. And accepted that he should have taken precautions to safeguard his account. He explained that he had since taken measures to prevent his account being misused again. And he asked Barclays to offer him an account in the future.

In response, Barclays said it acknowledged what Mr L had told them about his circumstances, but it wasn't willing to reopen Mr L's account. Mr L wasn't happy with the bank's response and brought his complaint to this service. He wants Barclays to offer him an account sometime in the future and to explain why it closed his account.

One of our investigators reviewed the complaint. She thought Barclays hadn't done anything wrong when it had closed Mr L's account. And that it wasn't obliged to provide Mr L with the reasons why it didn't want him as a customer. Barclays accepted what the investigator said. Mr L disagreed. He said he doesn't want his account reopened but he wants to be able to open an account with Barclays in three to five years' time. And he wants the bank to know what he's said about how his account was misused.

As no agreement could be reached the complaint 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 understand that Mr L is unhappy Barclays closed his account. But banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to

continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Having looked at all the information available to me, including Barclays's actions and the information it's provided, which includes it being aware of what Mr L has said about the use of his first account, I'm satisfied that Barclays's decision to close Mr L's account 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 account as it has already done. Barclays have provided Mr L with the full notice period, so I can't say Barclays have acted unfairly in taking the actions it did, when it decided to close his account in December 2022.

Mr L applied to open a new account with Barclays in April 2023, but the bank closed this within a couple of days. Mr L has said that he doesn't want Barclays to reopen his account, but he wants to be able to open an account with Barclays sometime in the future – in three to five years' time. I should explain to Mr L, that Barclays and other banks use the information given by a customer on their account application form together with information they may hold already, as well as information from credit reference agencies to help them decide whether or not to offer an account to a customer. So, Barclays won't be able to say that at some future date a customer would be successful in their application for a bank account. Barclays also isn't obliged to tell Mr L why it doesn't want him as a customer.

Mr L has told this service that Barclays are still holding onto his account balance, after it declined his application for a new account. I can see that the bank wrote to Mr L and let him know that he can access his funds by attending branch with identification. I'm afraid I can't add much more to what the bank has already told Mr L. If he hasn't already done so, I'd encourage him to follow the bank's instructions to get his money.

In summary, I appreciate that it was upsetting and stressful for Mr L when Barclays closed his account and declined his application for another account. So, I realise Mr L will be disappointed by my decision. But based on the available evidence, I don't think 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 L to accept or reject my decision before 6 November 2023.

Sharon Kerrison
Ombudsman