

The complaint

Mr I complains that Barclays Bank Plc closed his Smart Investor account, even though it had previously told him that it would remain open.

What happened

Mr I held a number of accounts with Barclays, both in his own name and through companies he controlled. This complaint and this decision concern only a Smart Investor account held in his name.

On 16 December 2021 Barclays wrote to Mr I to say that it was closing his Smart Investor account. The closure would take place after two months, on 16 February 2022. In the meantime, the letter said, Mr I could “... *continue to bank normally*.”

The letter referred Mr I to section 11 on page 37 of its RCA (or Retail Customer Agreement). That section included:

“We can close an account (and stop providing any services and end this agreement) by giving you at least two months’ notice...”

In fact, Mr I was not able to operate the account after he received the notice of closure, because the bank had restricted operations on it. Mr I could ask for the account to be closed and the money paid to him, but he could not, for example, alter his investment holding.

In May 2022 Mr I asked that the funds on the account be paid to him, and he received those funds in June 2022 – except for a modest amount which Barclays appears to have tried to send by cheque.

Mr I complained about what had happened, but the bank said it was within its rights to close the account in the way it did and to place restrictions on it.

Mr I referred the matter to this service, but our investigator did not believe he had been treated unfairly. Mr I did not accept the investigator’s assessment and asked that an ombudsman review the case.

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'll discuss first of all the account closure. The account terms allowed Barclays to close the account on giving two months' notice. That is what it did.

Banks are generally entitled to decide – as a matter of their own commercial discretion – whether to provide, or to continue to provide, banking services to any particular customer. As long as that discretion is not exercised in an unreasonable or unfair manner, this service won't generally interfere with it. I see no reason to do so here. Barclays acted within the account terms and did not, in my view, treat Mr I unfairly.

Mr I says however that he was told the account would remain open. I am not persuaded he was told that, but even if he was, I think it was clear by 16 December 2021 that the account was to be closed.

As I have indicated, however, I don't believe the letter of 16 December 2021 was entirely accurate. Mr I could not continue to operate the account normally, since Barclays had severely restricted its operation.

I am satisfied that Barclays was entitled to do that, but I think it would have been helpful if it had explained that in the closure letter. Instead, it appears to have used a form of wording more appropriate to the closure of a current or savings account, rather than to an investment account. I can see why that might have given Mr I the impression that he could move his investments within the account.

I do not believe however that Mr I has suffered any loss as a result. His money remained invested. And, when he gave instructions for the investment to be sold and the funds to be paid out, the bank acted on them within a reasonable time.

As I have indicated, it appears there may be a modest amount still invested (under £30). If that is so, it is open to Mr I to give instructions to Barclays for it to be paid out.

My final decision

For these reasons, my final decision is that I do not uphold Mr I's complaint and I do not require Barclays Bank Plc to take any further steps to resolve it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 4 January 2024.

Mike Ingram

Ombudsman