

## **The complaint**

Mr J complains on behalf of M, a limited company, that Barclays Bank UK Plc (Barclays) closed its business bank accounts and that it then delayed sending out the account closure cheques.

## **What happened**

M held a current and savings account with Barclays.

On 9 March 2022 Barclays said it contacted Mr J, as a director of M, by online and mobile banking to request information about the company. This was part of its ongoing 'Know Your Customer' (KYC) checks.

Barclays didn't hear from Mr J and so on 11 November 2022 it closed M's accounts, sending him a cheque for the account balance.

Mr J then realised what had happened and contacted Barclays to complain that it had closed M's accounts without his knowledge. He said the only contact he'd had from Barclays was two text messages on 22 March and 1 April 2022 telling him to log-in to M's online banking and add information to the account. Mr J also complained that the account closure cheques didn't arrive until 3 December 2022.

Barclays looked into the matter but didn't uphold the complaint. It said it had sent letters to Mr J starting 9 March 2022 advising that information was needed or the account might be closed.

Mr J remained unhappy and brought M's complaint to our Service. He said he didn't receive any of the letters Barclays sent. He told us that he'd had to take time off work because of this error and so had lost out financially. He also advised the situation had placed him and his family under a lot of stress. In relation to the delayed cheque, Mr J explained his business had no access to funds following the closure and he'd had to borrow money.

Our Investigator looked into the complaint but didn't uphold it. They felt Barclays had contacted Mr J at the address registered with Companies House and that it wasn't responsible for the fact Mr J didn't receive the letters. They agreed the cheques could have been issued a bit sooner but said they hadn't seen anything to show this caused Mr J financial loss.

Mr J disagreed with their view noting that M's registered address was with a professional firm M employed. He said the firm always forwarded post to him and he provided a letter from the firm confirming it had received only one letter from Barclays on 17 May 2022 which it had emailed to Mr J.

So, this complaint was passed to me to consider.

I asked Mr J why he didn't act on the letter dated 17 May 2022 which was sent to him via email from the professional firm. In response, Mr J said he never received this letter. He said

he queried this with the professional firm and said it was unable to provide any evidence that it had emailed him this letter. Mr J speculated that the professional firm may have seen the letter as part of his tax return and that Barclays may have also sent the letter to his home address.

After considering the evidence, I felt it was likely I'd reach the same outcome as the investigator but for slightly different reasons. So, I shared my provisional findings with Mr J and Barclays so they both had the opportunity to make any comments or provide further evidence. In brief, my provisional findings said I was satisfied Barclays had sent some correspondence to notify Mr J that M's accounts would be closed if he didn't provide further information. I also felt that the evidence indicated Barclays issued M's cheques on time.

Barclays had nothing further to add in response to my provisional findings. Mr J said he didn't feel procedures were followed to the letter by Barclays. He emphasised he was very stressed by the closures and felt Barclays ought to have phoned.

I am now in a position to issue a final decision on this 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.

All banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Barclays KYC reviews form part of this and are aimed at ensuring Barclays has the information it is required to hold about its customers. So, I'm satisfied it was reasonable for Barclays to request additional information from M.

The terms and conditions of M's account also state *'we can close an account (and stop providing any services and end this agreement) by giving you at least two months' notice.'*

So, what I therefore need to consider is whether Barclays made sufficient efforts to obtain this information from Mr J before closing M's accounts and whether it gave sufficient notice.

According to Barclays, it attempted to contact Mr J as follows:

- 9 March 2022 via online banking/mobile banking (not via letter as originally indicated to Mr J). It said a banner would have been added to the online banking.
- 26 April 2022 a reminder letter was sent.
- 17 May 2022 a reminder letter was sent.
- 21 June 2022 a letter notifying M the accounts would be closed in 60 days was sent
- Emails and text messages would also have been sent.

Mr J says he didn't receive these communications, aside from two text messages in March and April 2022.

Where evidence is incomplete or conflicting, I need to decide what I think is most likely to have happened in the circumstances.

Barclays isn't able to provide an audit trail for the banners, emails or text messages due to the time that's passed. It also isn't able to provide a copy of the letters it sent Mr J as these are automatically generated and not retained. However, it's provided letter templates and a system audit which indicates that letters were sent on the dates above.

I can be certain Mr J received the text messages as he's told us he did.

I have had conflicting evidence about the letters Mr J was sent. We have a signed letter from the professional firm that Mr J employs saying that Mr J was sent the letter dated 17 May 2022 by it. However, Mr J has since told us this was some sort of error on the professional firm's part and that this wasn't emailed to him. Ultimately, I'm satisfied that a letter dated 17 May 2022 was sent to Mr J by Barclays and was seen by a professional firm that represents him. The corresponding letter template indicates Mr J was told Barclays had already written to him asking for additional information, that it had already given him an additional 15 days to do this because he hadn't replied, and that it was now giving him a further 15 days. The letter said that Barclays may close the account if the information was not provided.

So at minimum, Barclays sent Mr J communications on at least three occasions, via two different contact methods requesting information. I'm also satisfied Barclays warned Mr J in the letter of the possible consequences of account closure if he didn't reply. I appreciate Mr J feels Barclays ought to have phoned him, but there was no requirement on Barclays to use that specific method of communication. I'm satisfied that Barclays tried to contact M in two different ways and I think this was fair in the circumstances. Given the texts and letter were sent over two months before Barclays closed the accounts, I'm also satisfied it gave sufficient notice.

I've thought about the fact that Barclays said it didn't write to Mr J at his designated correspondence address, but instead wrote to M's registered address. I know Mr J has speculated that Barclays may have written to his home address but the evidence I have indicates this wasn't the case. I acknowledge that Mr J had told Barclays that M's registered address was not his preferred correspondence address, but on balance, I still consider it reasonable for Barclays to have assumed that a limited company like M would receive letters sent to its registered address. In any event, in the particular circumstances of this complaint I don't think it would have made a difference if Barclays had written to M's correspondence address – I'll explain why.

I think Mr J had opportunities to provide this information before the accounts were closed regardless of where Barclays wrote to.

For example, Mr J says he received but didn't act on the text messages Barclays sent. And whilst Mr J says he thought they were a hoax, particularly given he'd received the second on April Fool's Day, there's no evidence he made any enquiries or sought to check this. Whilst I think it's reasonable for a consumer to be suspicious of unexpected contact by a financial service provider given the risk of fraud, that doesn't mean they have no responsibility to check if this is legitimate correspondence from their bank.

On balance, I think it was also likely Mr J was sent the letter of 17 May 2022 and he didn't take any action following this either. The evidence I have from the professional firm suggests this was emailed to Mr J. Whilst Mr J has since said this was incorrect, I am not persuaded by this as the independence of the evidence from this professional firm carries weight.

For these reasons, I'm not persuaded that if Barclays had written to the correspondence address this would have changed anything. I also don't think I can fairly hold Barclays responsible for the fact Mr J failed to respond to contact attempts that we know he received.

So overall, I'm going to uphold this part of M's complaint.

In relation to the delays to M's cheques, the accounts were closed on 11 November 2022 and Mr J said he didn't receive the money until 3 December 2022. So, I can understand why he was concerned about the time taken.

Barclay's system notes show the cheques were issued on 24 November 2022. Barclays told us its service level agreement is to issue cheques within ten working days and it noted that the cheques were sent to Mr J within this timeframe. I can also see from Barclays' notes that Mr J rang before this and asked for the cheques to be issued urgently. Barclays told us this was the reason it apologised to Mr J when he raised concerns about the time taken to receive his cheque. But whilst I recognise it would have been preferable for Mr J if Barclays had issued these cheques sooner, given that this was done within its required timescales I don't think it did anything wrong. I appreciate it then took a further nine days for Mr J to receive these cheques in the post but I have no evidence to suggest this is a delay Barclays was responsible for.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 15 December 2023.

Jade Cunningham  
**Ombudsman**