

## **The complaint**

Mr T complains that Barclays Bank UK Plc closed his account, despite being a longstanding customer. He'd like an explanation and the account reopened.

## **What happened**

Mr T held accounts with Barclays, which he used regularly. But in January 2023 the bank wrote to him to say they no longer wished to provide him with banking services. They said they'd be closing his accounts in March 2023. They said he could still use his accounts up until then, but they didn't provide a reason for the closure.

Unhappy at the prospect of losing his bank account Mr T complained to Barclays. They responded to say they were closing his account in line with the terms and conditions. The accounts closed in March 2023, with Mr T transferring the balances elsewhere.

Mr T referred his complaint to our service. One of our investigators looking into what had happened but didn't think Barclays had done anything wrong. They said Barclays had closed his account in line with their terms and given the required notice. They said this was a commercial decision for the bank to make, and they weren't required to give Mr T a reason for this. They didn't suggest Barclays do anything further.

But Mr T disagreed, saying there was a new law that means banks had to give reasons for closing a person's account. This didn't change the investigators mind, so the case was passed 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.

When coming to my decision I've taken in to account relevant legislation, industry guidelines and what I consider to be best practice. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays have provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr T, but I'd like to reassure him that I have considered everything.

The terms of Mr T's account say that Barclays can close an account for any reasonable reason, so long as they provide at least two months' notice. This is in line with the relevant regulations for providing accounts. Generally, this is considered long enough to arrange alternative banking facilities.

I've seen the notification that was sent, and it did provide Mr T with the right notice period. I can also see he raised his complaint about the closure with Barclays before the end of the notice period – which tells me the notice was received and understood. And from the statements I can see Mr T still had full use of the account during the notice period.

I note though that Mr T held a basic account with Barclays. The regulations around basic accounts are slightly different in that a basic bank account can only be closed if certain conditions are met – including that the account holder has access to another payment account, that was opened after the basic account. I can't see that Barclays did enough to satisfy themselves this was the case. But I also see that Mr T has told us he transferred his funds to his other bank, which tells me he did have another payment account. So, I don't think there's a significant impact on Mr T here.

Barclays aren't currently under any specific obligation to explain the reason for closing accounts to Mr T and have declined to do so here. Mr T has mentioned a new law to require banks to give consumers a reason for an account closure. But at this stage they are still proposals and aren't current requirements. And if these changes to legislation do come to pass, there's no indication they'll be applied retrospectively. So, I'm satisfied that it's not unreasonable for Barclays to decline to discuss their reasoning with Mr T.

But Barclays have provided their reasons to our service in confidence. Having considered them I'm satisfied they are reasonable. I appreciate Mr T will be disappointed I can't go into further detail, but I'm satisfied that this was a legitimate commercial decision Barclays were entitled to make.

I understand Mr T would like to know more, and I can see his obvious frustration at not getting the information he'd like. I've reviewed the contact notes and considered Mr T's comments on the customer service received. I can see he was regularly in touch with Barclays about this. But I'm also mindful they'd given him the relevant information – that the account would be closed, the date of closure, and that they did not need to provide a reason. In the circumstances that's sufficient.

Overall, I'm not persuaded Barclays have treated Mr T unfairly or unreasonably. As such, I'm not asking them to do anything further.

### **My final decision**

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 T to accept or reject my decision before 7 December 2023.

Thom Bennett  
**Ombudsman**