

The complaint

Mr S complains that Barclays Bank UK PLC unfairly closed his bank account. He wants Barclays to reopen his account.

What happened

Mr S had a current account with Barclays. In April 2023, Barclays reviewed Mr S's account. Following its review, Barclays decided to close Mr S's account and wrote to him giving him two months' notice that he needed to make alternative banking arrangements. Barclays closed Mr S's account in June 2023.

Mr S complained to Barclays. He said he was struggling to find another bank account after the bank had closed his account, which meant he lost his job as he didn't have an account for his wages to be paid into. Because he couldn't work his wife had to shoulder all of the bills and rent, which Mr S said wasn't fair and put a strain on his marriage. So, he asked Barclays to reopen his account.

In response, Barclays said it wasn't willing to reopen Mr S's account and told him that other banks had recorded markers against him, which might be why Mr S was struggling to open another bank account. Barclays said it hadn't placed any markers against Mr S and the closure of his account wouldn't have impacted him being able to open an account elsewhere.

Unhappy with this response Mr S brought his complaint to our service. One of our investigators reviewed the complaint. She thought Barclays hadn't done anything wrong when it had closed Mr S's account. Barclays accepted what the investigator said. Mr S disagreed.

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 S 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 continue to provide an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Barclays have relied on the terms when closing Mr S's account. In this instance the terms of Mr S's account say that in certain instances Barclays can close the account with immediate notice and by providing at least two months' notice to a customer. And it doesn't have to provide a reason for doing so. Barclays wrote to Mr S in April 2023, giving him two months' notice that it was closing his account and that he'd need to make alternative banking arrangements.

Having looked at all the information available to me, including Barclays's actions and the information it's provided I'm satisfied that Barclays's decision to close Mr S'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 S 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 April 2023. And I won't be asking Barclays to reopen Mr S's account.

Mr S has said that Barclays actions has made it harder for him to open another account. I should explain to Mr S, 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. I've not seen anything to suggest Barclays actions led to the closure of any other bank accounts Mr S had or that the closure of his Barclays account made it more difficult for Mr S to open another bank account.

In summary, I appreciate that it was upsetting and stressful for Mr S when Barclays closed his account. So, I realise Mr S will be disappointed by my decision. But based on the available evidence, I don't think Barclays treated Mr S unfairly when it closed his account.

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 S to accept or reject my decision before 31 January 2024.

Sharon Kerrison
Ombudsman