

The complaint

Mr A complains that Barclays Bank UK PLC unfairly closed his account without providing a proper explanation. He wants Barclays to reopen his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A had an account with Barclays that he opened in 2020. Mr A says although he had another four bank accounts, his Barclays account was his main account which he used to receive his salary, pay for everyday living expenses, make cash deposits, and receive funds from cryptocurrency trading.

In January 2023, Barclays reviewed Mr A's account. Following this Barclays decided to close Mr A's account and wrote to him giving him two months' notice. Mr A contacted Barclays to try and find out what why the bank wanted to close his account. He explained that he had a few problems with his account in late 2022, involving some transactions relating to bitcoin sales, but he was under the impression that everything had been sorted out. So, he didn't understand what had led to Barclays to decide to close his account. Barclays wouldn't give him much information. And said that it had closed the account in line with the terms and conditions.

Mr A complained to Barclays and asked them to reconsider its decision to close his account. In response, Barclays, reviewed everything but said it hadn't done anything wrong when it had closed the account and said it didn't have to provide Mr A with an explanation for why it no longer wanted him as a customer.

Unhappy with this response Mr A brought his complaint to our service. He said Barclays had closed his account unfairly. He explained that he'd always used his account properly and had explained all the activity on his account to Barclays when he'd been asked by the bank. He said he had nothing to hide, hadn't done anything wrong so he can't be sure that Barclays hadn't discriminated against him on the basis of his nationality when it decided to close his account.

One of our investigators looked into what had happened. As part of his investigation the investigator asked Mr A for more information about how he used his account. Mr A provided details of cryptocurrency trades he'd made using his account and correspondence that he had with Barclays about them which happened in late 2022.

The investigator looked at all the information and circumstances of Mr A's complaint. He didn't think Barclays had treated Mr A unfairly when it had closed his account. So, he didn't uphold the complaint.

Barclays agreed with the investigator's view. Mr A didn't. He said Barclays closed his account unfairly and he believes they did so based on his ethnicity. He wants Barclays to provide a proper explanation for why it closed his account. He explained that his account

was very important for him, and that he'd been relying on the account to help build his credit history. The closing of it now meant he'd have to start from scratch, which he believed would impact his ability to secure credit and a mortgage in the future.

As no agreement could be reached the matter 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Barclays has treated Mr A fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mr A feels very strongly about his complaint. That's clear from what's he's said to us and to Barclays. Whilst I appreciate Mr A's frustration and how this matter has impacted him, it's important to point out that the only thing in question here is whether Barclays has done what it should have done. And I think it has. I'll explain why.

Barclays has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its responsibilities Barclays will monitor accounts and carry out specific or occasional checks, which is common industry practice, which is what Barclays did here.

Barclays isn't obliged to reveal the reason(s) for reviewing Mr A's account. But I've considered the basis for the review, which I find was legitimate and in line with its legal and regulatory obligations. So, I can't say Barclays have done anything wrong when it decided to review Mr A's account.

Sometimes following a review, a bank will decide to close an account. Barclays is entitled to close an account with Mr A just as he is entitled to close his account with Barclays. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. But before Barclays closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Barclays could close Mr A's account by giving at least two months' notice. I've seen the notice to close letter that Barclays sent Mr A in January 2023, giving him the full notice period, so I'm satisfied that they have complied with this part.

I've next gone on to consider whether Barclays's reason for closing the account was fair. In doing so, I appreciate that Barclays are entitled to set their own policies and part of that will

form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Barclays has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr A due to its commercial sensitivity. But I've seen nothing to suggest Barclays's decision around closing Mr A's account was unfair. On balance when considering Barclays's wider regulatory responsibilities and all the information available to me, which includes how Mr A was using his account, I find Barclays had a legitimate basis for closing Mr A's account and not tell him why. So, I don't find Barclays treated Mr A unfairly when it closed his account. And I won't be asking Barclays to reopen his account.

I know Mr A says that he is a victim of discrimination by Barclays. He believes Barclays closed his account on the grounds of his ethnicity. While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr A has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that this was the case. So, I haven't found that Barclays decided to close the account for an improper reason.

While I appreciate how Barclays closing his account made Mr A feel and his perspective on why Barclays took the actions it has, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Barclays would have treated another customer with similar circumstances any differently than Mr A. So, I can't say Barclays treated Mr A unfairly because of his ethnicity.

In summary I realise Mr A will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Barclays have treated Mr A unfairly when it closed his account. So, I won't be telling Barclays to do anything to resolve Mr A's complaint.

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 A to accept or reject my decision before 21 February 2024.

Sharon Kerrison
Ombudsman