

## The complaint

Mr H complains that Citibank UK Limited is withdrawing banking services for some of its customers. In addition, he wants Citi to provide the full range of current account services and facilities on his open payment accounts, including overdraft facilities.

## What happened

In April 2023, Mr H contacted Citi. He was concerned that the bank intends to move away from retail banking and focus on managing clients with more complex wealth needs going forwards. Mr H speculated that his profile does not meet Citi's new criteria, meaning his accounts will be closed at some point. In addition, he wanted Citi to split his existing overdraft limit across his current accounts. Citi said it was not possible to do that at this time because it is not offering new or increased overdraft facilities to any customer.

Mr H complained. He said there had been no definite answers to any of his questions about the status of his accounts and felt the bank's level of service was unsatisfactory. He explained the overdraft change wouldn't be new or increased borrowing as it was a redistribution of a facility that had already been granted.

Citi issued its final response on 13 April 2023. It said Mr H's accounts currently remain unaffected and it would contact him to let him know if the situation were to change. It felt it had not made any errors and maintained it was unable to fulfil Mr H's request to split his existing overdraft limit at this time.

Mr H referred the complaint to us. He wanted Citi to either reconsider its decision to move away from retail banking services or to offer compensation for the distress and inconvenience affected customers will suffer. Mr H pointed out that he'd been a Citi customer for over 20 years and that it could be difficult to find an alternative banking arrangement offering the same services. He was concerned that switching banks would be a difficult process. He felt the decisions the bank is making are incompatible with the FCA's Consumer Duty.

Our Investigator didn't uphold the complaint. He didn't think Citi had treated Mr H unfairly by not splitting his existing overdraft facility over his accounts. He said that adding an overdraft facility to an account that doesn't have one is a new overdraft. He explained that the Financial Ombudsman Service cannot compel Citi to offer new overdraft facilities when it has made a business decision not to do so at this time. He also highlighted Citi's terms and conditions which explain the bank can decide to end its account agreement with a customer at any time by giving two months' notice.

Mr H asked for the complaint to be reviewed by an Ombudsman. He said Citi are treating him as if he is in the "*departure lounge*" to exit the bank and not providing him with access to the full range of banking services, leaving him in limbo. Mr H said this was discriminatory and unfair.

Our Investigator said there is no rule that says a bank must offer its customers an overdraft facility just because they provide them with a bank account. He suggested that Mr H may

wish to think about taking his business to another organisation if Citi is unable to offer him the services he wants.

As no agreement could be reached, the complaint has been referred to me.

On 19 October 2023, Citi gave Mr H three months' notice of its intention to close his accounts.

### **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.

Having done so, I am unable to uphold the complaint. I know this isn't the outcome Mr H is hoping for, so I will explain why.

#### *Citi's decision to close some customer accounts*

I do appreciate that Mr H has held current accounts with Citi for many years, so I can accept it was unwelcome news for him to learn that the bank is planning on making changes to its product offering.

But it's generally for banks 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 if they have their accounts closed. This is because a bank is entitled to close an account with a customer just as a customer may close their account with a bank. As long as the bank reaches its decisions in a legitimate manner, this service won't usually intervene.

At the time that Mr H made this complaint, Citi told him it currently had no plans to end his account relationships. I've not seen any evidence to suggest that information was incorrect at the time it was provided to him.

Now Citi has made the decision to close Mr H's accounts, it must do so in a way which complies with each account's terms and conditions. But my powers only extend to investigating Mr H's original complaint. Any concerns Mr H has about how the account closure process is handled are new complaint points that Citi must consider first.

I know Mr H has been frustrated because he didn't know where he stood longer term. But there is no basis on which I can make an award against Citi for this when it hasn't done anything wrong.

#### *Changes to Mr H's overdraft facilities*

I can see that from Mr H's perspective, he does not consider that he is asking the bank for any new lending. He wants to split an existing overdraft facility across his existing current accounts. But Mr H's current accounts are separate products each with their own terms and conditions. Reducing an existing facility from one account and adding a new facility to another account are distinct applications and processes.

Citi has explained that at this point in time, it is not currently considering any new overdraft applications. It hasn't removed the facility that Mr H already has in place.

Citi is entitled to make a business decision as to whether to offer new or extended overdraft

facilities. The Financial Ombudsman Service will not usually interfere with a bank's commercial judgement provided it is exercised legitimately and reasonably.

I have seen no persuasive evidence that the bank's commercial judgement was not exercised legitimately. It is not treating Mr H differently or less favourably to anyone else. It has not acted unfairly or unreasonably by deciding not to offer new overdraft facilities to any of its customers at this time. It is for Citi to decide the circumstances in which it is prepared to lend to customers.

### *Overall*

I know my position will not feel fair to Mr H. I do understand why he's concerned about any changes to his current accounts. Like most people, his current accounts are integral to his day-to-day banking. Mr H feels strongly that Citi are falling below the standard of care that they should give to him. But I've not seen anything that makes me think Citi hasn't met the requirements of the Consumer Duty. The Duty emphasises that consumers still have responsibility for their own choices and decisions, but it's important that consumers are given the information they need at the right time to empower them to do this. I understand Mr H wanted more specific detail than he was given. But I'm satisfied that Citi have shared information with Mr H to support him in deciding whether the products or services it was offering were in line with his needs and financial objectives.

I'm also mindful that during the time we have been investigating this complaint, Citi has signed up to the Current Account Switch Service, making the process to change banks easier.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 November 2023.

Claire Marsh  
**Ombudsman**