

The complaint

Mr T complains that Barclays UK PLC unfairly closed his bank account.

What happened

Mr T had a current account with Barclays.

In November 2022, Barclays decided to review how Mr T was operating his account. Whilst it completed its review Barclays blocked Mr T's account. This meant Mr T couldn't access the money held in his account. Following this, Barclays closed Mr T's account immediately.

Mr T complained to Barclays about the closure of his account. He explained that that he and his family had been good customers of the bank for a number of years. He said that at time he was just starting work and needed the account to receive his wages and deposits from customers. So having a functioning bank account was very important to him. In response, Barclays said it hadn't done anything wrong and had closed Mr T's account in line with the terms and conditions of the account.

Unhappy with this response, Mr T brought his complaint to our service where one of our investigator's looked into what had happened. After reviewing all the information, the investigator didn't uphold Mr T's complaint. He thought the bank had acted fairly closing his account. Mr T disagreed. He wants Barclays to reopen his account.

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 banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has 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.

I'll deal first with Barclays's decision to block and review Mr T's account. Barclays have important legal and regulatory obligations they must meet when providing accounts to customers. Those obligations are ongoing and don't only apply to when an account is opened. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

To comply with their obligations, Barclays will monitor accounts for activity which appears unusual or out of place. And may ask its customers to provide information about certain transactions. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or the activity on an account. And, considering the

information I've been provided, I understand why Barclays carried out a review and I don't find their initial decision to restrict Mr I's account was unreasonable. So, whilst I appreciate the restriction caused Mr I inconvenience and was upsetting, I can't say the bank treated him unfairly when it blocked and reviewed his account.

I understand that Mr I wants Barclays to explain the reason it applied the block to his account. He's also unhappy that Barclays gave him no warnings about what it was doing. But Barclays doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr I the reasons behind the account block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr I this information. And it wouldn't be appropriate for me to require it to do so or for me to disclose the reasons.

Mr T has explained that the closure of his account has caused him a lot of problems and upset – especially as he was just starting out in his working life. I'm sorry that what's happened has caused Mr T trouble and upset. 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 customer or require it to compensate a customer who has had their account closed.

I've considered whether Barclays acted fairly in closing Mr T's account. In doing so, I've looked at the terms and conditions of his account. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Barclays closed Mr T's account without notice. For Barclays to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the bank did. And that it was entitled to close the account as it's already done. So, I won't be directing Barclays to reopen Mr T's account.

In summary, I realise this will be disappointing to Mr T, but having looked at all the available evidence, I'm satisfied that Barclays closed Mr T's account fairly.

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 T to accept or reject my decision before 26 September 2023.

Sharon Kerrison
Ombudsman