

The complaint

Mr and Mrs G have complained that Barclays Bank UK Plc (“Barclays”) decided to close their account as they live overseas. Mr and Mrs G are also unhappy that Barclays incorrectly told them that if they changed their address to a UK address, their account would not be closed.

What happened

Barclays wrote to Mr and Mrs G on 13 February 2023 to say that it was applying limitations on accounts registered to addresses outside of the UK. It said that as the address registered for Mr and Mrs G’s accounts was a non-UK address, it had taken the decision to close their account. The letter explained that if Mr and Mrs G were unable to provide a UK address, then it would close their account by 30 August 2023.

Barclays sent a follow up letter on 15 May 2023 – reminding Mr and Mrs G what would happen to their account.

Following receipt of the notification, Mrs G spoke to Barclays via webchat on 26 May 2023, where she was incorrectly told that she would need to change her address to that of a friend or relative in the UK and this would avoid the account being closed. However, Mr and Mrs G subsequently found out that this was incorrect and that, because they were not resident in the UK, their account would still be closed.

Unhappy with this, Mr and Mrs G raised a complaint with Barclays. Barclays issued a final response letter on 15 June 2023 and apologised for the incorrect information they had been provided with. It explained that Barclays had taken a policy decision to close all accounts to account holders resident outside of the UK. Barclays explained that it had agreed to provide Mr and Mrs G with a further six months to give them more time to make alternative banking arrangements.

After Mr and Mrs G referred their complaint to this service, one of our investigators assessed the complaint and they agreed that Barclays had provided Mr and Mrs G with incorrect information. But they didn’t think that Mr and Mrs G had lost out due to the error and concluded that Barclays’ decision to close their account was a commercial decision that it was entitled to make.

Mr and Mrs G disagreed with the investigator’s assessment, so the matter was referred for an ombudsman’s decision.

What I’ve decided – and why

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I can see that Mr and Mrs G had a UK bank account with Barclays for many years. I also recognise that due to how far away from the UK that Mr and Mrs G live, making alternative banking arrangements in the UK will be difficult. So, in the circumstances, I can appreciate why Mr and Mrs G are unhappy with Barclays’ decision to close their account.

However, in terms of its decision to close the account, I should explain that 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. 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.

In this case, Barclays has explained that following the UK leaving the EU, it reviewed the services it offered to customers outside of the UK. This resulted in a letter being sent to Mr and Mrs G to inform them that, unless they were UK residents and could provide a UK address, their account would be closed.

As it was a policy decision by Barclays to limit certain services provided to customers living outside of the UK, I cannot say Barclays did anything wrong or treated Mr and Mrs G unfairly by notifying them of the account closure. I have looked at the closure letter sent, and this provided details of the timing of the closure and the need to take action

Based on everything I have seen, I find that Barclays provided Mr and Mrs G with adequate notice of the closure of their account, to enable them to take action to make alternative banking arrangements. And given where Mr and Mrs G live, I recognise that it may take them some time to arrange an alternative bank account. So, I think that Barclays' decision to extend the amount of time before their account is closed seems reasonable in the circumstances.

Mr and Mrs G are unhappy that Barclays provided them with incorrect information during a webchat conversation. From what I have seen, it's not in dispute that this happened, and Barclays apologised for the error that it made. I have considered whether anything more needs to be done to put matters right regarding this error, but I don't think it does. Although Mr and Mrs G were clearly given wrong information, I can't see that they lost out because of it. It seems Mrs G realised not long after the webchat that changing their address to a UK address would not prevent their account from closing, as they also needed to be residing in the UK as well. I've also not seen anything to suggest that Mr and Mrs G had acted on the incorrect advice, before Barclays clarified that it was incorrect in its final response letter.

So, in summary, it is the case that Barclays' decision to no longer allow customers with a non-UK based address to have an account is a reasonable exercise of its commercial judgement. And so, I don't think I can say that Barclays was being unfair or unreasonable for its decision to close Mr and Mrs G's account. But I do think that providing Mr and Mrs G with more time in which to make alternative banking arrangements is fair, as I appreciate it may take them some time to do this.

Finally, although Barclays did incorrectly say Mr and Mrs G could change their address to a UK friend or relative and this would prevent their account from being closed, I think that Barclays' apology for this error is reasonable. I say this because ultimately, Mr and Mrs G did not lose out or incur any loss as a result of this error and Barclays did clarify matters when it responded to their complaint a short while later.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 14 March 2024.

Thomas White
Ombudsman