

## **The complaint**

G, a company, complains that Barclays Bank UK Plc blocked its account. G wants compensation and to be given a reason for the block. G is represented by Mr H.

## **What happened**

G had an account with Barclays.

G's account was blocked on 28 December 2021. Barclays reviewed the account. Barclays removed the block on 29 December 2021.

Mr H has said he was embarrassed when he tried to use his card on 26 December 2021 and was declined. He was told by Barclays that his account was being reviewed. He visited the branch with photo ID. Mr H has said he spent two days trying to sort out the situation and couldn't carry on any business.

Barclays said they were entitled to review the account following a disputed claim and they were acting in line with their terms and conditions and legal and regulatory obligations.

G complained to our service. One of the investigators looked into the complaint. She thought Barclays were entitled to review the account and hadn't acted unfairly when they didn't give G a reason for the review.

Mr H representing G was unhappy with the view. He said his complaint was not just about the block but the manner in which the account had been blocked and the reasons for the block.

As there was no agreement 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.

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 so unfortunately, I won't be sharing this with G. I would like to reassure G that I have looked at all the information provided by both parties to decide what is fair and reasonable in the particular circumstances of this case.

### *Account review*

I'll start by setting out some context for the review of G's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These

obligations override all other obligations. I am satisfied Barclays were complying with these obligations when they reviewed G's account.

Barclays blocked G's account. I can see that in blocking the account the bank were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Barclays was unfair.

I have looked at Barclays terms and conditions of the account which G agreed to. These say Barclays can block an account or card in certain circumstances. I'm satisfied having looked at the evidence that Barclays were entitled to block G's account to review it, so I don't think they have done anything wrong by doing so.

### *Reason*

Mr H has said he wants to know the reason why his account was blocked. He says he has been a customer of Barclays for many years, and he thinks Barclays shouldn't have blocked the account because a disputed claim was made against G. He said it must have been an employee of Barclays who implemented the threat, and it was only his intervention in branch that caused G's account to be unblocked.

Mr H believes that Barclays didn't carry out a genuine review and that in fact there was no review of G's account at all. He says Barclays didn't ask him any questions about the payments into his account. I appreciate that Mr H might think that Barclays should follow certain steps if they carry out a review of an account but how Barclays carries out its reviews is a matter for them. I'm satisfied that Barclays did carry out a review of G's account.

I appreciate that Mr H has found this situation very upsetting and frustrating. I can see from his statements that his account is in substantial credit, and he operates his accounts well with no problems. However, it is part of Barclays process to investigate a claim however small and this may seem ridiculous to Mr H. This is what I would have expected Barclays to do, and I don't think they have acted unfairly when they blocked G's account and carried out a review. I know Mr H was concerned so I have checked and I have seen no evidence that Barclays acted unfairly when they blocked the account or that it was somehow a personal grievance or whim on their part to do so. As I've said I think Barclays' review was in line with the terms of their account and their procedures and what I would have expected in this sort of situation. I won't be asking them to do anything else here.

I know Mr H wants to know the reason for the review, but Barclays aren't obliged to give him a reason. As the investigator has explained, Barclays is under no obligation to provide this information to Mr H, as much as he'd like to know. So, I can't say Barclays have done anything wrong by not giving Mr H this information. I have looked at the information provided by Barclays, and I'd like to reassure Mr H that Barclays have followed their process I would expect them to, and they haven't caused any unnecessary delay in the review of G's account.

Mr H has asked for compensation because during the two days of the block on G's account he wasn't able to concentrate on carrying out his normal business. I accept the distress and inconvenience that Mr H had when he had to try and sort out G's account block. As I've mentioned, I don't think Barclays acted unfairly in blocking the account so although I acknowledge the problems this caused G and Mr H I won't be asking Barclays to pay compensation.

### **My final decision**

For the reasons sated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 10 November 2023.

Esperanza Fuentes  
**Ombudsman**