

The complaint

Miss N complains that Barclays Bank UK PLC closed her account without notice. She says she should have been provided notice and a reason. She would like compensation.

What happened

I am aware that Miss N has another case with our service regarding the block of her current account which will be dealt with separately.

Miss N is also unhappy with the closure of her currency account. I understand that Miss N is raising this as a formal complaint with Barclays and will come back to our service if she is unhappy with Barclays Final response.

The facts which led to Miss N bringing this complaint to our service are well known to both parties, so I am not repeating them in full here.

Miss N had a current account with Barclays. Following a review of the current account, Barclays decided to close the account with immediate effect. They wrote to Miss N on 30 September 2022 to let her know of the immediate closure. Miss N was able to collect her funds in branch on 13 October 2022.

Miss N says she should have been given notice and a reason for the closure. She wants interest on her funds for the period of time she was without these funds and £5,000 compensation. She also missed out on a payment for switching her bank account. This was £400.

Barclays looked into the complaint. They thought Miss N should have been given 60 days' notice to close. They offered £300 for their error as they recognised the immediate closure had an effect on Miss N's ability to use her account and access her funds. They recognised she had been given incorrect information and had to go into branch to get her money more than once. Miss N didn't accept £300, she thought £5,000 more accurately represented the inconvenience she had been caused.

Our investigator looked at the complaint. She thought Barclays should have given Miss N 60 days' notice to close. She was satisfied the offer of £300 compensation was fair in the circumstances. She thought Barclays should pay 8% interest from the time it closed the account on 30 September 2022 until Miss N had access to her funds.

She said she wasn't able to look at the issue around the payment Miss N missed because of not being able to switch her account, as Miss N hadn't raised it as a complaint with Barclays.

Miss N was unhappy with the view. She thought she should receive interest from the time the account was blocked on 9 September 2022. She didn't think the amount of compensation was enough for the inconvenience and upset she had endured.

The investigator said the block had been fair and so no compensation had been awarded in

respect of the block. She was only dealing with the closure of the current account in this complaint.

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.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Miss N and Barclays have said before reaching my decision.

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.

Closure

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 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. Banks should, however, give reasonable notice before closing an account.

I've considered whether Barclays acted fairly in closing Miss N's account. I've looked at the terms and conditions of her 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 Miss N's account immediately. Barclays have accepted they ought to have given Miss N 60 days' notice to close her account. I've considered if Barclays acted fairly in closing the account, having looked at these terms and all the evidence I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the account as it's already done.

Miss N has said she wants to know the reasons why Barclays closed her account. Whilst Miss N may've expected to be given the reasons for the account closure. Barclays isn't required to give her a specific reason. And I can understand Miss N's frustration that she hasn't been provided a detailed explanation. But Barclays is under no obligation to provide this information to her, as much as she'd like to know. So, I can't say Barclays have done anything wrong by not giving Miss N this information.

Impact

Miss N has requested compensation for the closure of the account. Barclays have agreed they made an error and should have given Miss N 60 days' notice to close the account. They agreed she had been given the wrong information on a number of occasions and Miss N had gone into branch a few times to collect her money, but this wasn't available until 13 October 2022. In recognition of these errors Barclays offered Miss N £300 compensation.

Miss N has said she would like more compensation and has suggested £5,000.

The investigator has recommended that Barclays pay Miss N £300 for closing her account without notice. I've considered what Miss N has said about how Barclays' actions impacted her. I've no doubt this was a shock to her. And I can see she spent time contacting Barclays trying to find out what had happened. So, I can appreciate this would've been inconvenient for her. And it's only right that Barclays recognises this as well as the wrong information it gave Miss N. However, I'm satisfied that £300 is a fair amount of compensation and proportionate to the trouble and upset Miss N was caused.

In reaching this conclusion I've kept in mind that Barclays were always entitled to close the account giving Miss N 60 days' notice. So, I'm satisfied that £300 compensation recognises the impact Barclays' actions had in the overall circumstances of this complaint.

I appreciate that Barclays caused delay in returning Miss N's funds to her after the account was closed. In recognition that she was deprived of her funds for longer than she should have been Barclays should pay Miss N 8% interest on the funds in her account from 30 September 2022 when her account was closed until she received her funds.

Miss N has said she would have switched her account had Barclays not closed it with immediate effect. And as a result of Barclays error, she lost £400. I appreciate Miss N feels strongly about this but as she hasn't raised this with Barclays, and they haven't had an opportunity to look into this I cannot deal with this as part of this complaint. Miss N should therefore raise this as a complaint with Barclays and allow them the opportunity to investigate. If she is unhappy with their final response, she will be entitled to bring the complaint to our service.

My final decision

For the reasons mentioned above I uphold the complaint. I require Barclays Bank UK PLC to pay Miss N

- £300 compensation for the inconvenience caused to her.
- 8% interest on the balance in her account from 30 September 2022 to 13 October 2022 as compensation for being deprived of her funds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 28 December 2023.

Esperanza Fuentes
Ombudsman