

The complaint

Mr K and Mrs K complain that Barclays Bank UK PLC closed their joint account and removed their overdraft without notice. They'd like compensation for the impact caused to them.

What happened

Mr K and Mrs K had a joint account with Barclays.

On 24 March 2022 Barclays sent a letter to Mr K notifying him that Mr K and Mrs K's joint account would be closing on 25 May 2022. Barclays didn't send a letter to Mrs K.

On 29 March 2022 Mrs K contacted Barclays to find out why her debit card wasn't working. Barclays informed her that their joint account had been closed, and the overdraft removed.

Mrs K complained to Barclays. She explained that she hadn't been notified about the closure, and this had caused her immense stress in having to rearranging direct debits and standing orders.

Barclays accepted they could have provided better service, and paid Mrs K £100 compensation for their failure to notify her about the closure. But, they maintained their actions in closing the account were fair.

Mr K and Mrs K weren't happy so brought their complaint to our service.

One of our investigators looked into Mr K and Mrs K's complaint. They thought Barclays actions in closing Mr K and Mrs K's account weren't fair, and asked Barclays to pay an additional £300 compensation along with refunding the travel pack fees.

Barclays didn't accept the recommendation – they argued that Mr K and Mrs K had access to the benefit during the closure notice period.

Mrs K didn't accept the recommendation – and explained that the level of stress she experienced was much more significant than £300.

After the view was issued Barclays made an offer of £500 additional compensation to Mrs K for the impact on all of her accounts, including the joint account with Mr K. But, Mrs K didn't accept the offer.

Mrs K's sole accounts are being considered by our service under a separate complaint. I won't be commenting on them in my decision.

As neither party accepted our investigator's recommendation it's been passed to me to decide.

On picking up Mr K and Mrs K's decision I requested more information from Barclays regarding their reason to close their account and remove the overdraft. Barclays provided evidence to show their reasons for closing Mr K and Mrs K account and advised the

overdraft was cancelled due to it having more than three unpaid transactions.

I reviewed Mr K and Mrs K's complaint, and reached a similar conclusion to our investigator for slightly different reasons. I recommended that Mr K and Mrs K were compensated £400 for the inconvenience caused to them. But I didn't think the travel pack fees needed to be refunded.

Barclays advised they had nothing further to add to my decision. Mrs K, on behalf of Mr K and Mrs K, indicated they accepted however she added:

- The account might have been open until May 2022 but they couldn't use the account and it was effectively closed with immediate effect.
- Other cases with less aggravation have received higher compensation than £400
- They couldn't access the travel pack benefits so shouldn't have to pay for them

I've considered Barclays and Mrs K's responses and reviewed my outcome below.

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.

In my provisional decision I said:

Account closure

Barclays can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Barclays have relied on the terms and conditions when closing Mr K and Mrs K's account. The terms explain that the bank can close an account by giving 60 days' notice. I've considered the full circumstances of this complaint and I'm satisfied Barclays acted fairly when providing the full notice period.

However, I'm aware this isn't Mr K and Mrs K's main complaint point. They are more concerned about Mrs K not being notified. Barclays have accepted that they didn't notify Mrs K, they've apologised for the impact caused and credited Mrs K £100.

Removal of the overdraft

Barclays have advised our service that the overdraft was cancelled due to Mr K and Mrs K having more than three unpaid transactions. From the evidence I've seen I'm not clear on when the overdraft was removed – however, I can see an overdraft of £1,200 was in place at the start of March 2022 but was removed by April 2022.

I've seen a copy of correspondence sent by Barclays to Mr K and Mrs K about the overdraft prior to the removal. I'm aware that Mr K and Mrs K were in their overdraft for most of the time in the months prior to March 2022, however in the letters sent there's no mention Mr K and Mrs K have exceeded their limit or the overdraft would be removed if payment isn't made.

I've seen a copy of a policy advising on actions Barclays will take if customers are exceeding their overdraft limit. But, this has no mention of unpaid payments and I can't see the relevance of this in Mr K and Mrs K's case. I've not seen any evidence they were exceeding their limit or had any unpaid payments prior to the overdraft being removed. I note a demand

letter was sent by Barclays for £1,062.02 on 29 March 2022. But, this was within the previously agreed overdraft limit of £1,200. And I've seen no evidence Mr K and Mrs K were notified this was being removed, or an explanation as to why. It follows I can't conclude Barclays' actions in removing Mr K and Mrs K's overdraft were fair.

I've considered the impact of Barclays' failure to notify Mrs K about the account closure, and the removal of the overdraft without notification or an explanation. I appreciate that it was likely frustrating for Mrs K to not receive a letter from Barclays notifying her of the account closure, however, as Mr K was informed and Mrs K found out soon after I can't say £100 is unfair compensation for this.

But, I am of the opinion unfairly removing Mr K and Mrs K's overdraft and not notifying them caused significant inconvenience. Mrs K explained she was distressed by their actions including phoning up Barclays to try to find out why her debit card wasn't operational. They were further impacted by direct debits and standing orders being left unpaid, having to rearrange the payments and receiving letters asking for repayment of the overdraft balance. If Barclays kept the overdraft in place until 25 May 2022, as I'd have expected them to do, Mr K and Mrs K would have had access to the credit facility for an additional 60 days and a reasonable timeframe to rearrange their direct debits and standing orders.

I'm satisfied this caused Mr K and Mrs K distress. I've considered our bandings for distress and inconvenience – and I think an additional £400 compensation is fair.

I've reviewed Mr K and Mrs K's statements and I can't see any associated charges from the unpaid direct debits, however, if there are any I'd expect Barclays to refund these. However, I won't be asking Barclays to refund the travel pack insurance payments. Barclays have shared evidence which shows this monthly benefit was in place until 25 May 2022. Therefore, I can't say the charges taken in April and May were unfair.

Barclays made an offer of £500 to Mrs K regarding the inconvenience caused to her. However, this offer was made for all of Mrs K's accounts not just her joint account with Mr K. Therefore I haven't taken this offer into consideration in my decision.

I've considered Mrs K response to my provisional decision.

Mrs K's advised that her and Mr K couldn't use the account immediately even though they were given 60 days' notice. I agree that because of the removal of the overdraft, soon after the account was closed, the account was effectively closed immediately. I haven't considered whether Barclays acted fairly in applying the terms and conditions for immediate closure in this case. Instead, I've looked at whether Barclays acted fairly in removing the overdraft when they did as this is why Mr K and Mrs K felt their account was closed without notice. And as I explained in my provisional decision, I don't think Barclays acted fairly in doing so.

Mrs K argues that the level of aggravation her and Mr K experienced should be higher than a £400 award. I've reconsidered the amount I recommended in my provisional decision. Having done so, I'm satisfied that this is in line with our awards for the impact on Mr K and Mrs K. I think they experienced inconvenience in the credit facility being unfairly removed, but I'm satisfied £400 is fair compensation for this.

Mrs K's final point relates to the travel pack insurance benefits. I understand Mrs K's argument that as the account wasn't operational they couldn't use the associated benefits – however I'm afraid I don't agree. I've seen nothing to indicate the travel pack benefit couldn't be used during the notice to close period. It follows, I can't say Barclays should refund these charges.

Putting things right

I think Barclays should pay Mr K and Mrs K an additional £400 for the inconvenience caused to them in unfairly removing the overdraft without notice.

My final decision

My final decision is I uphold this complaint and direct Barclays UK PLC to:

- Pay Mr K and Mrs K £400 for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 2 January 2024.

Jeff Burch
Ombudsman