

The complaint

Mr Z complains that Barclays Bank UK PLC blocked and closed his account. Mr Z says this caused him inconvenience and financial loss for which he should be compensated.

What happened

Mr Z had a personal account with Barclays. In February 2023, Barclays decided to review Mr Z's account. Whilst it completed its review it restricted the account and moved the funds to a sundry account. At the time the balance of the account was £5,000.

Barclays completed its review on 22 February 2023 and returned Mr Z's money to his account. During the review, Mr Z wasn't able to use the account, and no payments could leave or be made into the account. Following this, in March 2023, Barclays decided to close Mr Z's account and wrote to him giving him two months' notice that he'd need to make alternative banking arrangements. Mr Z's account was closed in May 2023.

Mr Z complained to Barclays. He explained that the bank's actions had caused him a great deal of stress and that he missed out on a holiday he had planned because he had no access to his account. He also said that a number of direct debits weren't paid which meant he had to pay charges. In response, Barclays said it hadn't done anything wrong and had blocked Mr Z's account to comply with its legal and regulatory obligations. The bank also said it had closed the account in line with the terms and conditions.

Unhappy with this response, Mr Z asked us to investigate his complaint. He said the block on his account had caused him a lot of problems. He explained that he was due to go on holiday to France and had booked hotel accommodation, which couldn't be cancelled. And because of the block on his account, he couldn't buy train tickets to travel to France. So, he wants Barclays to compensate him for the cost of the hotel and his missed holiday. Mr Z also says that he had to rearrange his direct debits, which was a nightmare, and he had to pay charges for missed debits.

One of our investigators reviewed Mr Z's complaint. She said whilst she appreciated Barclays actions had caused Mr Z trouble and upset, she thought Barclays hadn't done anything wrong. She looked at all the evidence and was satisfied that Barclays had acted in line with their legal and regulatory obligations when it blocked Mr Z's account. And had closed the account in line with the account terms. So, she didn't uphold Mr Z's complaint.

Mr Z disagreed. He wants a proper explanation about why Barclays blocked his account and don't want him as a customer.

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 financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, 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 Z, but I'd like to reassure him that I have considered everything.

I appreciate that Mr Z is upset that Barclays blocked his account. I can also understand that this was no doubt stressful for him especially as the bank's actions meant direct debits went unpaid and he wasn't able to pay for train tickets to France. So, he missed out on his trip and was left out of pocket having paid for hotel accommodation. But for me to uphold this complaint, I must be satisfied that the bank has done something wrong. And in this case, I don't think it has. I'll explain why.

I want to make it clear that I understand why what happened concerned Mr Z. I've no doubt it would've come as quite a shock to him to find out he couldn't access his money and his account had been blocked. But as the investigator has already explained, Barclays has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence, I'm satisfied that Barclays were acting in line with its legal and regulatory obligations when it restricted Mr Z's account. The terms of Mr Z's account also permit Barclays to restrict access to accounts. So, I can't say Barclays treated Mr Z unfairly when it blocked his account. I understand not having access to his account caused Mr Z problems with his direct debits and paying for the costs of his trip to France, but it wouldn't be appropriate for me to award Mr Z compensation since I don't believe Barclays acted inappropriately in taking the actions that it did when it blocked Mr Z's account.

Whilst Barclays are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr Z's account was blocked on 10 February 2023 and the review was completed on 22 February 2023. Given everything I've seen I can't say there were any undue delays. So, I'm satisfied that Mr Z's account wasn't blocked for longer than necessary.

I've next gone on to consider whether Barclays acted fairly when it closed Mr Z's account. It's generally for banks and financial businesses 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. Barclays have relied on the terms and conditions when closing Mr Z's account. I've reviewed the terms and they explain that Barclays can close an account for any reason by giving two months notice.

Having looked at all the information available to me, including Barclays's actions and the information it's provided I'm satisfied that Barclays's decision to close Mr Z's account was reached legitimately and fairly. I've reviewed the terms and conditions and circumstances of this complaint, and I'm satisfied Barclays acted in line with them, so, it was entitled to close the account as it has already done. Barclays have provided Mr Z with the full notice period, so I can't say Barclays have acted unfairly in taking the actions it did. I've considered whether Barclays need to offer any compensation in regard to the closure. But from what I've seen the decision to close Mr Z's account was reasonable. So, I won't be asking Barclays to do anything to resolve this aspect of Mr Z's complaint.

In summary, I appreciate that it was upsetting and stressful for Mr Z when Barclays blocked his account, removed his money, and then closed his account. So, I realise Mr Z will be disappointed by my decision. But it wouldn't be appropriate to make an award of compensation since I don't believe Barclays acted inappropriately in taking the actions it did.

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 Z to accept or reject my decision before 21 December 2023.

Sharon Kerrison
Ombudsman