

## **The complaint**

A company which I'll call 'N' complains that Barclays Bank UK Plc behaved unreasonably when completing its banking checks.

The complaint is brought on N's behalf by one of their directors, Mrs O.

## **What happened**

N held a business current account with Barclays which they opened in 2003.

N told us:

- They had two accounts with Barclays. One of these was dormant and needed closing down, the other was their active business current account.
- In February 2023, their current account was closed without warning. They had been speaking to their Relationship Manager ('RM') about the business and they hadn't said anything about outstanding information, or the account being closed.
- They'd received letters from Barclays, but these had been about the dormant account, rather than the current account.
- They'd been caused inconvenience and a financial loss as a result of Barclays' actions because they didn't have access to their funds which meant they couldn't trade.

Barclays told us:

- It had carried out a review of N's account in May 2022 and needed some information from the business which it had requested via online banking and post.
- As the required information wasn't received within the deadline it had set, it had sent N a notice to close letter in September 2022 followed by text message on 23 January 2023 to say that it was closing their account on 1 February.
- It closed N's account on 6 February 2023 and issued a cheque for the account balance shortly after.
- It had acted in line with the account terms and conditions and hadn't done anything wrong as it had legal and regulatory obligations to meet.

Our investigator didn't recommend the complaint be upheld. She thought that it had been reasonable for Barclays to close N's account as their directors hadn't provided the information requested by the bank. She said she'd seen evidence that Barclays had contacted N through text message, online banking and through the post, and given the company sixty days' notice that their account would be closed if they didn't provide the information, which was in line with the account terms. She also said that the RM likely wouldn't have known about the KYC review as this was dealt with by a separate team. So she didn't think Barclays had done anything wrong.

N didn't agree. They maintained that they hadn't received any notification from Barclays by post or digital banners, so they asked for an ombudsman to review their complaint.

## **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.

Having done so, I've decided not to uphold it. I'm sorry to disappoint N, but there's not much more that I can add to what our investigator has already said. N says that their account was unfairly closed in February without warning. However, I'm not persuaded that's the case. I'm satisfied that Barclays acted fairly when it closed N's account, and that it did give N appropriate notice of that closure.

Barclays has legal and regulatory obligations to ensure that it has sufficient knowledge of its customers. The bank may need to check from time to time that the information it holds for its customer is correct. It is a commercial decision which Barclays is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations.

If a customer doesn't provide this information, the bank may be put in the position whereby it may break a law, regulation, code, or duty and therefore it is able to close an account after giving the relevant notice in line with the terms and conditions of the account. I've seen that the bank contacted N from June 2022 via their online and mobile banking via an alert banner and a further three times between July and September by post, and then again by text message in January 2023. The final letter gave N the required sixty days' notice that if the requested information wasn't received, their account would be closed. And the text message gave a final week's warning that the account would be closed if the outstanding information wasn't received.

I recognise that N says they only received correspondence relating to their dormant account, and that they'd been speaking to their RM around the time of the KYC review, and the RM hadn't said anything. However, Barclays has told us that the RM may not have been aware of the KYC review as it was dealt with by a different department. But even if they were aware and didn't chase N for the outstanding information, I think on the balance of probability that N did get at least some of the letters, it just didn't think they were for this account. I also think it's reasonable to believe that after several letters and the text message had been received from the bank, that N ought reasonably to have realised that there was an issue and they needed to contact the bank to see what this was.

So, whilst I have sympathy for Mrs O about what has happened to N's account and I recognise her frustration, I'm satisfied Barclays did try and contact N in a reasonable manner and gave them the required notice period. Therefore, as I don't think Barclays acted unfairly, I won't be upholding N's complaint or awarding compensation for the losses they say they incurred as a result of the bank's actions.

## **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 11 March 2024.

Jenny Lomax  
**Ombudsman**