

The complaint

Mr F complains Barclays Bank UK PLC unfairly closed his account without notice.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Barclays carried out a review of Mr F's account and issued a notice to close letter on 15 September 2023. This letter explained that Mr F's accounts with Barclays would close with immediate effect.

Mr F raised a complaint about the immediate closure, explaining Barclays hadn't given him any notice or explained its reasons. Mr F also says he never received the notice to close letter. Barclays explained that it had closed the account immediately in line with its internal review process. It said it issued the letter to the address held on file for Mr F. Barclays explained Mr F's outstanding balance had been moved to a holding account, and it explained the process Mr F would need to go through to reclaim the funds.

Mr F remained unhappy and referred his complaint to our service. An Investigator reviewed his concerns, and they didn't uphold Mr F's complaint. In summary they explained:

- Barclays' regulatory obligations meant it was required to monitor and review customer accounts and it didn't need to give Mr F notice of this review or a reason for the closure.
- Barclays has disclosed the specific reasons to this service in confidence and they were satisfied Barclays acted fairly in light of the information available.

Mr F remained unhappy and maintained Barclays had acted unfairly. The case has been referred to me – an ombudsman – for a final decision.

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.

As a UK financial business, Barclays is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Barclays needs to restrict, or in some cases go as far as closing, customers' accounts.

Barclays has explained and given me information to show why it reviewed and closed Mr F's account. Having carefully considered this, I'm satisfied Barclays took these actions in line with the obligations it must adhere to.

Barclays is entitled to close an account just as a customer may close an account with it. But before Barclays closes an account, it must do so in a way, which complies with the

terms and conditions of the account.

The terms and conditions of the account, which Barclays and Mr F had to comply with, say that it can close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice. Barclays closed Mr F's account with immediate effect. Having looked at the information given to me by Barclays, I'm satisfied it was entitled to close the account in the way that it did.

I know Mr F would like a detailed explanation as to why Barclays took these actions. But Barclays isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' 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 we consider should be kept confidential.

Mr F says he provided information to Barclays about the payments into his account and the source of funds. I can see Mr F provided details which were considered by Barclays. However, it didn't consider this information to be sufficient to mitigate its concerns, and it continued to review and subsequently close Mr F's account. I consider this to be reasonable given the information provided by Barclays to this service in confidence.

In response to the Investigator's review Mr F has referenced new legislation which he says shows bank are required to provide exact details of why a bank account is terminated. I've considered Mr F's points, and whilst the Financial Services and Markets Act 2023 does encourage greater transparency between banks and their customers, this doesn't apply to situations where there are regulatory and legal reasons for keeping details confidential. Based on the information Barclays has provided to this service, I think it's acted reasonably in keeping these details confidential.

Mr F says the service he received from Barclays was poor, and he never received the notice to close letter. I have reviewed Barclays' notes and the letter is correctly addressed. I don't think it would be fair to hold Barclays liable for the non-receipt of this letter. Mr F also says its decision to close his account immediately caused him significant distress and inconvenience and he had to borrow money from family and friends. I do appreciate this matter would've caused him some difficulty, as Mr F appears to have used his Barclays account regularly. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Barclays as I don't think it has done anything wrong in restricting and closing Mr F's account.

I know this will not be the outcome Mr F was hoping for, but I am satisfied Barclays acted reasonably in taking action to discharge its regulatory obligation. I know Mr F will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Barclays to take any further action or compensate Mr F.

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 Mr F to accept or reject my decision before 31 July 2024.

Chandni Green
Ombudsman

