

The complaint

Mr K and Mrs K complain that Barclays Bank UK PLC closed their joint account without providing an explanation and without reviewing information Mr K provided to the bank.

Mr K is also unhappy that Barclays didn't take his personal circumstances into consideration and refused to extend the notice period to close the account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K and Mrs K were a long-standing customer of Barclays and had several accounts with the bank including current accounts, savings accounts and credit card accounts.

I am aware that Mr K and Mrs K have raised complaints with this service regarding the closure of all of their accounts. This decision will focus on Mr K's and Mrs K's complaint about their joint account. Their other complaints will be dealt with in separate decisions.

In late 2023, Barclays decided to carry out a review of Mr K's accounts, including the joint account that he had with his wife, as part of its Know Your Customer (KYC) process in order to comply with its legal and regulatory obligations. As part of its review on 1 December 2023, Barclays wrote to Mr K and asked him to provide specific information about several transactions and his source of wealth. Barclays asked Mr K to provide it with the information within 30 days.

At the time of receiving the banks' request, Mr K was suffering from serious health issues and was in and out of hospital undergoing tests and treatment. So, Mr K contacted Barclays to complain and explain that due to his health issues he'd find it quite difficult to deal with the banks request and he asked for an extension of the timeframe.

In response Barclays said it was sorry to hear of Mr K's ill health. It explained why it needed Mr K to provide it with the information and said that it would send a follow up letter at the end of the 30 day period. Barclays also provided Mr K with details of organisations he could contact for support.

On 2 January 2024, Barclays sent Mr K a chaser letter asking him to provide the information previously requested on 1 December 2023. Barclays gave Mr K 10 days to provide the information.

To comply with the banks request, in early January 2024 Mr K visited a branch with a file of information and spoke with a manager at the branch about what he needed to provide and how to fill in the KYC form which Barclays had sent him. The manager went through the paperwork and advised him how to fill in the form. Unfortunately, due to the volume of the information Mr K presented, the manager advised Mr K to take the documents away and highlight the information the bank had requested and then return to provide it to the branch.

Mr K agreed to review the documents and asked Barclays to give him some more time to submit the information due to his health issues and because he had been in and out of hospital undergoing tests. Mr K completed the KYC form over the following several days and on 16 January 2024, took the KYC form along with other information back to the branch where it was scanned and sent off to the bank's review team.

Following this, on 19 January 2024, Barclays wrote to Mr K to let him know it was closing his accounts and that he'd need to make alternative banking arrangements. The bank gave Mr K the full notice period of 60 days and he was able to use his accounts as usual during the notice period.

Mr K was very unhappy about Barclays decision to close his accounts. He complained to Barclays and said he had wasted his time collating all the information he had provided, which given his circumstances at the time, in particular his ill health, had been very challenging and stressful for him to do. Mr K said that Barclays had clearly made the decision to close his accounts without properly reviewing the information he'd provided. So, he asked the bank to review its decision and provide him with an extension to the notice period.

Barclays responded to Mr K on 30 January 2024. In its letter, Barclays maintained its position about closing the accounts. And said it hadn't made a mistake when it had decided to close them. It said that following a review of Mr K's accounts it had decided to close them and wasn't obliged to provide him with an explanation about why it no longer wanted him as a customer. The letter reiterated that Barclays would close all of Mr K's accounts on 21 March 2024.

The letter also confirmed that Barclays had received all the information Mr K had provided and that it was being reviewed, which would take 15 days. Barclays apologised to Mr K for any inconvenience and upset its actions had caused him and provided him with contact details of support organisations, but it said that it had carefully considered closing Mr K's accounts and had followed its strict internal review process.

Unhappy with this response, Mr K raised a further complaint with Barclays and said that due to his ill health he wouldn't be able to reorganise his banking and open other accounts. So, he asked for more time. But Barclays declined his request. Barclays closed Mr K's accounts in March 2024.

Mr K brought his complaint to our service. He said Barclays actions had impacted his mental health and overall well-being. Mr K said the bank had treated him and Mrs K very unfairly and hadn't considered his poor health, family circumstances or age. He explained that he'd always maintained his accounts properly so can't think of any reason why the bank wouldn't want him as a customer. He wants Barclays to pay him compensation for the trouble and upset he has suffered and to reopen his accounts.

One of our investigators looked into the complaint. After looking at all the evidence the investigator said that Barclays hadn't done anything wrong when it had reviewed and closed Mr K's accounts. She said that Barclays didn't have to provide Mr K with an explanation. And that Barclays would still have closed Mr K's accounts after it had reviewed the information he had provided. So, she didn't uphold Mr K's complaint.

Mr K disagreed. He maintained he hasn't been treated fairly and instead feels the bank has treated him like a criminal – especially because he hasn't been given a proper explanation for why Barclays closed his accounts. Mr K says it is wrong that the bank isn't being held to account for how it has treated him and his family, and he feels that the bank has

discriminated against him by not revealing the information it relied on when closing his accounts.

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'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 focused 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. But I have read all of Mr K's submissions.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial 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 that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr K, but I'd like to reassure him that I have considered everything.

As the investigator has already explained, Barclays has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to protect people from financial harm and to detect and prevent financial crime.

In order to comply with its legal and regulatory obligations Barclays are required to have suitable systems in place to establish customer identification, the purpose and intended nature of a business as well as the origin of funds. To satisfy these requirements Barclays are obliged to adhere to the regulator – the Financial Conduct Authority's (FCA), Know Your Customer (KYC) responsibilities. It is a legal requirement that Barclays maintains updated information about their customers business and financial circumstances.

From time to time Barclays will review accounts to comply with these responsibilities. That may lead to Barclays asking a customer about how they use their account at any time, including providing source of wealth information. By collecting and maintaining key pieces of information, Barclays can protect its customers against money laundering and abide by the restrictions placed on the bank.

Barclays may also ask a customer to provide it with Proof of Entitlement (POE) for payments made to and from their account – which is what happened here when Barclays asked Mr K to explain payments, including cash deposits that he'd received into his accounts. From looking at Mr K's account activity and the information Barclays has provided I don't think this was unreasonable. I say this because there is a high volume of cash deposits running through the accounts, being transferred between the accounts and gambling activity. I note too that Mr K indicated his income was from his pension and benefits, which was significantly less than the account turnover. So, I can understand why Barclays had concerns and wanted to know more about how the accounts were being run.

Having looked at all the evidence, I've considered the basis for Barclays review, which I find was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Barclays acted fairly and reasonably when it completed its KYC process and asked Mr K to provide information about his source of funds and certain transactions.

Mr K has said Barclays wasted his time by making him provide the information as it had already decided to close his accounts. The information Barclays was asking Mr K to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to KYC responsibilities. It's not in my remit to determine what questions Barclays should ask its customers to ensure it adheres to its these responsibilities. There's no fixed set of questions or period between each customer update request, and they are usually done to reflect the changes in the economy, technology or tactics employed by criminals to commit financial crime.

Barclays is required to have up to date information about its account holders including details on source of funds, in order to comply with its legal and regulatory obligations. So, whilst I can appreciate Mr K's point of view about the necessity of the information Barclays requested, I can't reasonably say that Barclays was acting unfairly or unreasonably in asking Mr K for the information that it did.

Mr K has argued that Barclays had already decided to close his accounts before he submitted the information to the bank. So, he wasted his time and has been treated unfairly. I can see that Barclays let Mr K know it was going to close his accounts on 19 January 2024 and gave him 60 days' notice. Mr K went to branch with his information on 16 January 2024 – three days before. And it was scanned and sent to the banks review team. So, I think Barclays had the information before it wrote to Mr K to let him know it was closing his accounts.

I acknowledge that Barclays referred to the information Mr K provided in their letter dated, 30 January 2024, which said that the bank was reviewing what he had provided and would let him know the outcome of the review within 15 days. But the letter also said it had reviewed its decision to close Mr K's accounts and deemed the decision correct. Having looked at all the evidence, I'm satisfied that Barclays would still have closed the accounts – even after reviewing the information Mr K provided.

I've next considered whether Barclays treated Mr K fairly when it closed his accounts. Banks are entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. In this instance the terms of Mr K's accounts say that in certain instances Barclays can close the accounts with immediate notice and by providing two months' notice to a customer. And it doesn't have to provide a reason for doing so.

Barclays wrote to Mr K in January 2024, giving him 60 days' notice that it was closing his accounts and that he'd need to make alternative banking arrangements. So, I'm satisfied that it's complied with this part.

I've then gone on to consider whether Barclays's reason for closing the accounts was fair. In doing so, I appreciate that Barclays are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and information, I haven't seen evidence to show Barclays's closed Mr K's accounts for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion. The reason Barclays gave for closing the accounts is that it was outside the bank's risk appetite.

That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

As the investigator has already explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue to provide an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very 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.

I understand Mr K wants Barclays to explain the reason it closed his accounts. It can't be pleasant being told you are no longer wanted as a customer. But Barclays doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr K the reasons behind the account review, as much as he'd like to know. It's also under no obligation to provide Mr K with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr K this information. And it wouldn't be appropriate for me to require it do so.

I appreciate Mr K has said he feels discriminated against because Barclays closed his accounts, although he hasn't gone into specifics about how the way Barclays have treated him is related to any protected characteristics. But I have taken on board what he's said when considering whether Barclays treated him fairly and reasonably. It is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr K has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that Barclays treated Mr K unfairly.

While I appreciate how Barclays closing his account made Mr K feel and his perspective on why Barclays took the actions it has, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Barclays would have treated another customer with similar circumstances any differently than Mr K.

In summary, I realise Mr K and Mrs K will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't say Barclays treated them unfairly when it reviewed and closed their account. And when it asked Mr K to provide information. So, I won't be asking Barclays to do anything further to resolve Mr K and Mrs K's complaint.

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 Mrs K and Mr K to accept or reject my decision before 14 June 2024.

Sharon Kerrison
Ombudsman