

## The complaint

Mr and Mrs S complain that Barclays Bank UK PLC (“Barclays”) notified them of its intention, and later closed their joint account. And by doing so, has failed to reasonably consider their circumstances.

Mr and Mrs S are also unhappy staff in branch incorrectly told them that their account wouldn't be closed. And that Barclays didn't respond to Mr S about their complaint and only told Mrs S.

## What happened

Mr and Mrs S were long standing customers of Barclays for more than thirty years. In 2011 they moved abroad.

In May 2023, Barclays sent Mr and Mrs S letters of notice that their account will be closed as their residential address isn't in the United Kingdom (U.K). The letters told Mr and Mrs S that if they couldn't provide an address in the UK by late November 2023, it would close their account on or around 2 December 2023.

Unhappy with this Mr and Mrs S complained. They say Barclays told them in branch that they wouldn't be impacted by Barclays decision not to provide account services to customers who hold an address outside of the U.K.

In response, on 26 July 2023, Barclays issued a final response letter and explained that its products are designed for customers within the UK. Barclays said that as Mr and Mrs S's registered address was located outside of the UK, it had decided to close their account. However, it apologised for any misinformation Mr and Mrs S may have been provided with regarding its commercial decision and paid Mr and Mrs S £50 compensation to recognise any inconvenience this had caused them.

Unhappy with this response Mr and Mrs S referred their complaint to our service where one of our investigators assessed the complaint. They didn't uphold the complaint. In summary the investigator said:

- Barclays had closed the account in line with the terms and conditions which say it can close an account if a customer resides outside of the U.K.
- Whilst this had inconvenienced Mr and Mrs S Barclays hadn't done anything wrong and had given them six months to make alternative banking arrangements.
- Barclays clarified the misinformation and had done enough to put things right.

Mr and Mrs S didn't agree with what the investigator said. They said:

- Barclays had not followed its processes and only informed Mrs S. And didn't inform Mr S as the joint account holder.
- Mr S made a complaint about the closure of the account and never received a

response.

- They have been UK residents for many years for tax purposes until recently. And still retained an overseas address. You can be a U.K resident and retain an overseas address for communications – what law says you cannot.
- Barclays verbally told them that this measure wouldn't apply to them in person at one of their branches as they were registered with HMRC and provided three pieces of ID. They were entitled to rely on that advice irrespective of any terms and conditions.
- The account is registered with HMRC for direct debits to allow Mr and Mrs S to meet their HMRC and National Insurance obligations. Not having the account will make it more difficult and more expensive for them to meet these obligations.

Unhappy with the outcome reached by the investigator, Mr and Mrs S's complaint was referred for an ombudsman's decision. So, 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.

Firstly, I'd like to make clear that this service isn't a regulatory body or Court of law and doesn't operate as such. This means that it isn't within my remit to decide whether Barclays have acted in a non-regulatory way or unlawful way. Our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint.

I also want to make it clear that it is for Barclays to decide on its commercial strategy as to how to run its business. We can't make Barclays change its policies or procedures. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Barclays acted fairly and reasonably when it decided to close Mr and Mrs S's complaint.

Barclays is entitled to close an account just as a customer can 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.

Having looked through the account terms and conditions I can see that they say:

***"If you aren't eligible for the account, you hold***

*We can close an account (or stop or restrict a service) if we find out that you aren't eligible for it. This may include the following.*

- *You (or a joint account holder) reside outside the UK or do not have leave to remain in the UK."*

Barclays wrote to Mr and Mrs S on 10 May 2023 and gave them six months' notice of its intention to close their account. The letters explained this was because it had decided to no longer offer its products and services to customers who don't hold a U.K residential address.

Mr S has confirmed that he and Mrs S moved overseas in 2011, although he and Mrs S have visited the U.K sometimes annually prior to Covid.

Given what the terms say, and Mr and Mrs S do not reside in the U.K, I'm satisfied that Barclays has acted fairly in applying them by closing Mr and Mrs S's account. I would expect

Barclays to provide sufficient notice so that Mr and Mrs S had enough time to make alternative arrangements from overseas. I'm satisfied that six months is sufficient time for them to do that.

I'd also add that Barclays should show reasonable care and flexibility where a customer's situation merits it do more in these circumstances. Mr and Mrs S were using their account to meet their HMRC and NI commitments. So, I understand the closure of their account has caused Mr and Mrs S inconvenience. But I'm satisfied Barclays hasn't acted unfairly when it closed Mr and Mrs S's account. So, I can't consider making a compensation award for the trouble an upset Mr and Mrs S experienced.

There are likely several reasons Barclays considered when reaching its decision to close the accounts of all customers who didn't have a U.K residential address. I'm satisfied that this is a legitimate exercise of its commercial discretion. What this means is I can't tell Barclays to reverse its commercial decision for Mr and Mrs S. So, I won't be directing Barclays to reopen Mr and Mrs S's account.

I can understand why being such long standing customers is an important factor that Mr and Mrs S feel Barclays should have taken into account. But this doesn't change my mind given I think Barclays applied its terms fairly.

I note Mr and Mrs S say they were told in branch that their account wouldn't be closed as a result of Barclays commercial decision. And they provided three different forms of ID so as to be able to continue to use their account. I don't know exactly what was said at the branch as I wasn't there. But if that is what they were told verbatim, I don't think it's helpful. So, I can understand why Mr S is upset.

In the absence of any evidence to the contrary, I don't doubt what Mr S has said. Barclays has accepted that it may have given Mr and Mrs S misleading information and it has paid them £50 compensation to recognise any inconvenience this caused them. I think this is fair and reasonable, so I won't be asking Barclays to do anything more to resolve this aspect of Mr and Mrs S's complaint. In reaching this conclusion I've kept in mind that Barclays corrected any misinformation quite quickly, in its final response letter.

I know Mr S says as the joint account holder he never received Barclays final response to his complaint and says only his wife got an answer. But I've seen a copy of the final response letter Barclays sent – its addressed to both Mr and Mrs S at their overseas address. It is of course possible Mr S never saw this letter, but I can't reasonably hold Barclays responsible for this. As such, whilst I'm sorry to hear that Mr S didn't receive the letter, it does look it was sent to him. So, I can't say that Barclays has acted unfairly or unreasonably if it is the case that Mr S didn't receive it.

In summary, taking everything into account, I'm unable to say that Barclays has acted unfairly or unreasonably. Following its decision to close Mr and Mrs S's account, I think it took reasonable steps to notify them of their options and gave them plenty of time in which to consider these before the account was eventually closed.

### **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 S and Mr S to accept or reject my decision before 2 October 2024.

Sharon Kerrison  
**Ombudsman**