

The complaint

Mr A has complained that Barclays Bank UK PLC (“Barclays”) decided to close his accounts.

Mr A says this was done suddenly and without any warning, which caused him a great deal of inconvenience and embarrassment as he had a number of large payments he needed to make, which required him to borrow money from friends and family.

What happened

Following the departure of the UK from the EU, Barclays took the decision to close any accounts that were registered to an overseas address. Because of this, Barclays took the decision to close Mr A’s account on 4 June 2023.

Mr A says that he wasn’t warned that this would happen and only noticed that his account had been closed when he tried to access his online banking on 11 June 2023 and was unable to do so. After Mr A spoke to Barclays, he was told his account had been closed. Unhappy with this, Mr A submitted a complaint to Barclays.

Mr A was able to get the money transferred out of his closed accounts on 26 June 2023. Following Mr A’s complaint, Barclays issued its final response letter on 19 August 2023. Barclays said that it had written to Mr A to warn him of the closure of his account on three occasions – firstly on 10 November 2022, then again on 13 February 2023 and 10 May 2023.

Unhappy with Barclays’ response to his complaint, Mr A referred his complaint to the Financial Ombudsman.

One of our investigators assessed the complaint. They concluded that Barclays had written to the UK address it had recorded for Mr A, and so they were satisfied that the letters warning Mr A about the closure of his account were sent to the correct address. However, they thought that Barclays could’ve written to Mr A’s overseas address or notified him about the account closure online. Had Barclays done so, they thought it was likely that Mr A would’ve removed the money he needed to make the payments from his accounts, before they were closed.

So, the investigator said that Barclays should pay Mr A 8% annual simple interest, less deductible tax, on the balances of Mr A’s account – calculated between the date his accounts were closed and when the balances were paid to him. This was because Mr A did not have the benefit of the money in that time. The investigator also thought that Barclays should pay £100 for the distress and inconvenience caused by this matter.

Mr A disagreed with the investigator’s findings, and so the matter was referred for an ombudsman’s decision.

After reviewing Mr A’s complaint, I issued a provisional decision on 19 June 2024 explaining why I was minded not to uphold the complaint. I have included an extract of my provisional decision below and it forms a part of this decision.

“What I’ve provisionally 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 reviewed everything, I’m currently minded not to uphold this complaint. Firstly, I think it may help to explain that for me to uphold this complaint, I would need to find that Barclays has acted incorrectly, or unfairly or unreasonably. If I’m unable to say that it has done so, then I can’t find in Mr A’s favour. And looking through the evidence provided, I can’t say that Barclays has acted incorrectly or acted unfairly or unreasonably. I will explain why that is.

I can see that Mr A had a UK bank account with Barclays for many years. And I understand that around the time his account was closed, he needed to make a number of payments with the money held in his Barclays’ accounts. So, in the circumstances, I do appreciate why Mr A may be unhappy with Barclays’ decision to close his accounts.

Barclays has explained that following the UK leaving the EU, it reviewed the services it offered to customers outside of the UK. Barclays ultimately decided to close all UK accounts for account holders with addresses located outside of the UK. This affected Mr A because, although he’d retained a UK address as a correspondence address, I understand that he’d also notified Barclays that he was living abroad.

In terms of its decision to close certain accounts, it was a legitimate exercise of Barclays’ commercial judgement. And given that Mr A was living outside of the UK at the time, I cannot say Barclays did anything wrong in deciding to close Mr A’s account on 4 June 2023.

However, when doing so, Barclays needed to provide notice to Mr A and provide him with a reasonable amount of time in which to make alternative banking arrangements, before closing his accounts.

Mr A says that he didn’t receive any notice or warning whatsoever, and only realised his account was closed when he attempted to log in to his online banking to make a payment.

Whereas Barclays says that it had written to Mr A three times to the UK correspondence address that Mr A had provided, over a period of six months, before it closed his account.

Looking at the evidence, it seems that the notice to close letters were sent to the correct UK correspondence address for Mr A. And given that Barclays has provided copies of the letters sent, I think it’s more likely than not that they were sent. I note that Mr A says he didn’t receive them. But ultimately, I can’t reasonably hold Barclays responsible for any failures of the postal system, or if he had not had anyone check to see if mail had been received at the address. So overall, I think that Barclays did give Mr A reasonable notice that his account was due to close.

I have considered the argument made by the investigator - that is, that they thought that Barclays should’ve done more to try and contact Mr A - for example, by writing to his overseas address. I think it may be reasonable to expect Barclays to have done that, say, if the letters addressed to Mr A’s UK address were being returned undelivered. But I can’t see that happened here. So I think Barclays was reasonably

entitled to think that the notice to close letters were safely received at Mr A's correspondence address. And so, I don't think it's reasonable, in such circumstances, to expect Barclays to have taken further steps to notify Mr A of the impending closure of his account.

I note that Mr A had opted for paperless statements. So, Mr A, quite understandably, has questioned why the notifications were not sent to him by the usual method – which I understand was through messages on his online banking.

Barclays has explained that although Mr A had opted for paperless, it is the case that not all correspondence can be sent electronically. It has explained that occasionally, it may be required to send letters to Mr A about his account as well – as was the case with the notice to close letters. Overall, although I recognise that Mr A would've wanted the notice to close letters to have been sent electronically, I can't actually say that Barclays did anything wrong or acted unfairly in choosing to write to Mr A's UK correspondence address. And so I can't uphold this complaint just because Barclays had not communicated with Mr A electronically.

Turning now to the contents of the closure letters, these made it clear that Mr A's account was due to close. They also explained the steps he could take to access his money in his account. The three letters that were sent, gave Mr A plenty of time to consider his options and to make alternative banking arrangements. So, I think Barclays did what it needed to do to notify Mr A about the closure of his account before it was due to take place.

So, in summary, I recognise that Mr A found himself in a very difficult situation when he went to access his Barclays account to make payments. But, at the same time, I can't say that this was because Barclays had acted unfairly or unreasonably. It therefore follows that I can't reasonably say that Barclays should pay any compensation to Mr A for this matter."

After I issued my provisional decision, Barclays didn't raise any additional points. Mr A responded and raised a number of points. Although I won't repeat everything Mr A said here, in summary he said:

- He had expressed a preference for all communication to be electronic.
- Barclays' failure to send the notice to close letters by post is unacceptable and in breach of the Consumer Rights Act 2015 and also the FCA's Principles for Businesses.
- Barclays has not provided proof that the letters had been sent, and Mr A says they were not received.
- Barclays failure to provide proof of delivery is a breach of its duty of care to Mr A.
- Barclays' Retail Customer agreement says that if Barclays sends its customers information online, it will notify the customer with an electronic message but won't normally send post to the customer as well.
- Barclays had no legal basis for sending the notice to close letters by post. Also, the Payment Services Regulations says that a termination of an account must be done with at least 2 months' notice and must be in writing. Mr A says that email would meet the requirement that it is in writing.
- The sudden and unexpected closure of his account caused severe financial stress and embarrassment. Mr A says he was forced to borrow from friends and family.

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 reconsidered everything, I still don't uphold this complaint.

Although Mr A had expressed a preference for communication to be by electronic means, that was just a preference. That does not mean that Barclays was prevented from or unable to send post to Mr A's registered correspondence address.

Mr A says that Barclays cannot provide proof that the notice to close letters were sent. However, Barclays has provided this service with copies of the letters that were generated for Mr A, and the address on them looks to have been correct. So, when deciding what I think most likely happened, I think they were in all likelihood sent to Mr A.

Mr A has also said it was a breach of Barclays' duty of care to him in not providing proof the letters were received. However, I don't agree. The letters were, as far as I am aware, only sent as standard post i.e. 1st or 2nd class mail and I don't think that it had any obligation to send letters via registered post or to require a signature. So, Barclays would not have been given proof of delivery by the postal service nor would it have any way of knowing if they had been received. But I think that Barclays was reasonably entitled to rely on the postal service to deliver the letters.

I have read what Mr A has said about Barclays' retail customer agreement, but I don't think what he has referred to means that this complaint should be upheld. The part of the agreement Mr A referred to simply said that when communicating information to consumers online, it will send a notification and won't generally send the information by post as well. But in this case Barclays didn't send the information online, it posted the information – which explains why Mr A may not have received an online notification. I see nothing in Barclays retail agreement that precludes Barclays from sending notifications via post if it chooses to do so.

Mr A says that Barclays had no legal basis to send the notice to close letters by post and says that the notice to close should be issued in writing and says that email is an accepted form of writing. Although I accept that Barclays could've perhaps sent the information electronically as well, sending the information by mail was a legitimate way to notify Mr A of the impending closure of his account. Or put another way, although there may not have been a specific legal requirement to send the notice to close letters by mail, equally it was not obliged to send them electronically either. The main requirement was that it gave Mr A notice in writing, and I'm satisfied that it did that.

I note that Barclays sent the notifications in November 2022, February 2023 and May 2023. So, I'm also satisfied that Barclays met the requirements that Mr A has referred to, of sending the notifications in writing – albeit not via Mr A's preferred method of contact – and it gave Mr A nearly 7 months' notice before his account was closed. So, I don't think it needed to do more.

I'm sorry to hear about the impact this matter on Mr A. I hope Mr A doesn't think I'm playing down the impact this matter had on him. But I can't say that Barclays was acting unfairly or unreasonably because it wrote to his registered correspondence address to warn him of the impending account closure. It therefore follows that I can't reasonably say that Barclays should be held responsible for the impact that the closure of the account had on Mr A.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 August 2024.

Thomas White
Ombudsman