

The complaint

Mr S complains that Barclays Bank UK PLC ('Barclays') took too long to release his funds after closing his account.

What happened

Mr S had a current account provided by Barclays. He told us it was his main bank account but not his only bank account.

On 10 November 2023 Barclays blocked Mr S's account to carry out a review. It wrote to Mr S saying:

'We continually monitor our customer's accounts, and we've identified some recent activity on your account which we need to review. While we do this, you won't be able to access your account or debit card. This is in line with your account terms and conditions, in the 'When we don't have to follow your instructions' section.'

Barclays listed two transactions and some questions for Mr S to answer about the transactions.

On 11 November 2023, Barclays asked Mr S to send evidence he was entitled to the funds in his account. Over the ensuing months, Mr S provided some information. But Barclays considered the information insufficient. And it asked for more information.

On 11 December 2023 Barclays wrote to Mr S saying it would close his account with immediate effect, in line with the agreed upon terms and conditions. It said Mr S would need to provide proof he was entitled to the funds in his account if he wanted to access those funds. And it set out what proof was required for funds from different sources.

On 15 January 2023 Mr S complained to Barclays. He said the process for proving his entitlement to the funds was taking too long. He wasn't happy Barclays said it would take 15 working days to review information. He also said some of the funds he'd received were from organisations which couldn't provide bank statements, so Mr S couldn't provide what Barclays was asking for.

On 8 April 2024 Barclays wrote to Mr S. In summary it said the following:

- It had decided on 16 November 2023 to close his account. That had been a correct decision, but Barclays couldn't tell him more about it.
- Barclays would pay Mr S £125 to recognise the inconvenience it had caused by being unclear about timeframes when asking for proof of funds and taking longer than it should've to investigate and respond to his complaint.
- Barclays had asked Mr S on 21 March 2024 for more information to help it investigate his complaint. But Mr S hadn't provided anything in response.

On 24 April 2024 Barclays released the funds in Mr S's account. Mr S was able to withdraw the funds that day.

Meanwhile Mr S had referred his complaint to this service. He said he wanted Barclays to release the money in his account. After the money was released he said he wanted compensation because Barclays had taken six months to release the money and he'd had to borrow money and been substantially inconvenienced, including by having direct debits cancelled and having to visit a Barclays branch multiple times.

One of our Investigators looked into Mr S's complaint. She didn't think Barclays had done anything wrong. In summary, she said the following:

- Barclays was complying with its legal and regulatory obligations when it closed Mr S's account and withheld his funds. The investigator had considered the reasons Barclays had for doing this. And although the investigator couldn't share those reasons with Mr S (because the information had been received by this service in confidence) she was satisfied Barclays had followed correct processes. So she wouldn't ask it to do anything else.
- Banks had numerous legal and regulatory obligations. It wasn't the role of the Financial Ombudsman Service to determine the fairness of those obligations. Our role was to ensure that when following its obligations Barclays did so without unduly inconveniencing its customers.
- It was fair for Barclays to withhold the funds in Mr S's account because Barclays had to be sure he was entitled to the funds before releasing them to him.
- Mr S was unhappy with the time Barclays took to release his funds, but the available evidence didn't suggest there were any unnecessary delays.

Mr S didn't agree with the investigator's view. He said he didn't mind that his account had been closed but five months was too long for Barclays to withhold the money from the account. He said his health was impacted and he'd suffered embarrassment and well as inconvenience and stress. He thought £4,000 or £5,000 would be fair compensation for the delay releasing funds from his account.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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.

Having done so, I'm not upholding the complaint. I'll explain why.

First, I want to set out that our rules allow this service to receive evidence in confidence. We may treat evidence from banks 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 in relation to Mr S's complaint is information we consider should be kept confidential. This means there's some detail I can't share with Mr S. But I'd like to reassure him I've considered everything.

I'm satisfied Barclays acted fairly and reasonably when it closed Mr S's account and didn't immediately release the funds from the account. The account closure was in line with the

terms and conditions. And based on the information Barclays provided in confidence about Mr S's account I'm satisfied it applied the terms and conditions in a reasonable and fair way.

I'm satisfied it was fair and reasonable for Barclays to continue withholding funds while it awaited further information from Mr S. That's because I think Barclays had a fair and reasonable basis to question whether Mr S was entitled to the funds in the account. Barclays was entitled to ask Mr S about the source of the funds in his account as part of fulfilling its regulatory obligations. I can't say that was unreasonable. And, given what I've seen of the information Mr S provided about the funds and the other information Barclays provided in confidence, I don't think it unfair or unreasonable that Barclays remained dissatisfied about the source of some of the funds.

I know more than five months was a long time for Mr S to be without the funds in his account. But even if I thought Barclays could've completed its review more quickly, it wouldn't follow that I'd necessarily award compensation in the circumstances of this case.

After considering what Mr S has said and the content of Barclays's review of his account, I don't find awarding Mr S compensation would be fair or appropriate. I understand Mr S would naturally want to know all of the information I've weighed in order to reach this provisional finding. But as I've set out already, I'm treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. The information I've accepted in confidence which I'm not disclosing is of a nature which justifies the review and account closure by Barclays. And it justifies the decision by Barclays to withhold funds while it sought information about Mr S's entitlement to those funds. It's also of a nature which has led me to decide that awarding Mr S compensation wouldn't be a fair or appropriate outcome for any of the matters he's brought as part of this complaint.

Overall, in the circumstances of this case I don't think it was unfair or unreasonable for Barclays to close Mr S's account and withhold funds from the account. And I'm not requiring Barclays to do anything further to compensate Mr S.

My final decision

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

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

Lucinda Puls
Ombudsman